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IRAN'S 5th PLAN

A guide prepared by

KAYHAN research associates

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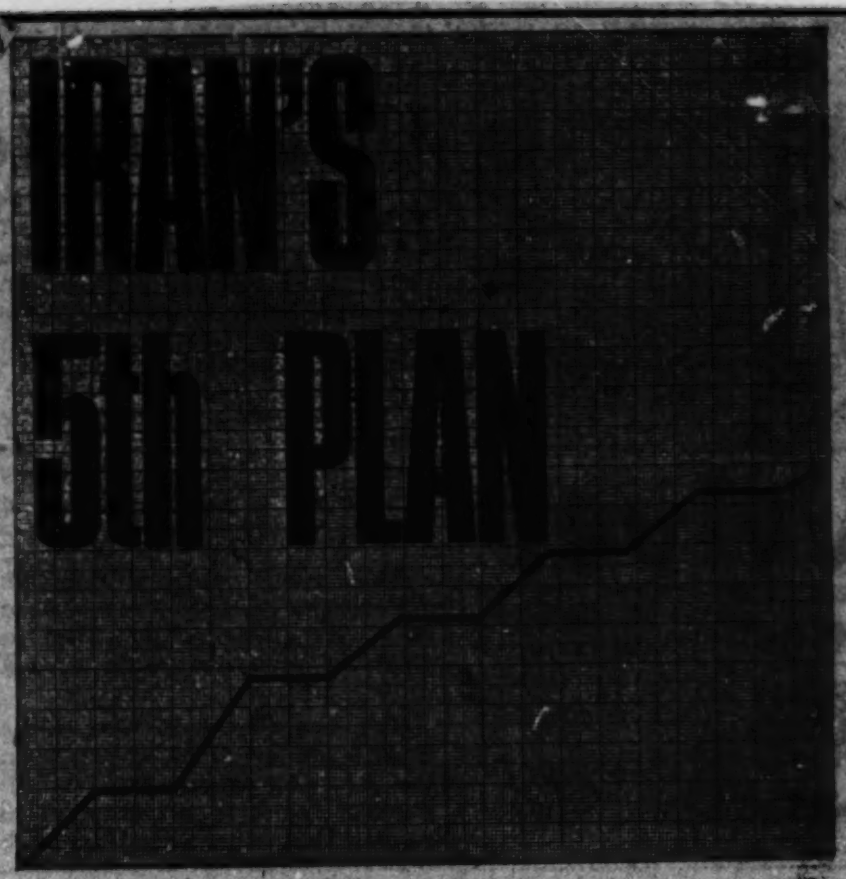

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The Iranian Government late in 1974 completely revised the Fifth Development Plan and presented it to Parliament in December.

Drawing on substantially higher oil revenues, the Government doubled the size of the Plan from $36.4 billion to $69.6 billion, increased investment and spending projections in virtually every sector, reviewed major policies and set down new guidelines for foreign trade and foreign investment.

Kayhan Research Associates, an affiliate of the Kayhan Group of Newspapers, has produced a guide to the revised Fifth Plan. The guide provides global figures for new revenue, expenditure, balance of payments and trade projections. It gives detailed figures for each sector of the Plan, including industry, mining, agriculture, transportation, telecommunications, electricity, energy, education, health, social welfare, administration and defence. There are over 70 statistical tables alone.

In addition, the guide provides a sector-by-sector account of Government policies, targets and specific projects for the five-year Plan period. It describes the bottlenecks foreseen and the plans to deal with them. The text closely follows the official version of the Plan.

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A guide to

IRAN'S 5th PLAN

1973—1978

KAYHAN research associates

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Introduction

Iran's Fifth Development Plan (March 1973-March 1978) was approved by the two Houses of Parliament in February 1973. It called for total investments of 2,461 billion rials ($36.4 billion) during the five-year plan period. Of the total, 1,549 billion rials ($22.9 billion) was to come from public sector and 912 billion rials ($13.5 billion) from private sector investment. The bulk of public sector investment would be financed by anticipated total oil revenues of about $24.6 billion in the Fifth Plan period.

Decisions taken by the Organisation of Petroleum Exporting Countries in October and December 1973, and subsequent developments in the international oil market had the effect of practically quadrupling Iran's per barrel oil revenues. As a result, revenue estimates from the oil sector in the Fifth Plan period were revised upward to a new figure of $98.2 billion.

The huge jump in oil income permitted a revision of all sectors of the Fifth Plan and much increased spending on economic development, social welfare, defence infrastructure and public administration. This revision took place in consultations between the Plan Organisation and the ministries in mid-1974.

The revised Fifth Plan, providing for a near doubling of investments, was approved in September at a conference of Cabinet ministers, Plan and Budget Organisation officials and other ranking members of the Government meeting under the chairmanship of His Imperial Majesty. The revised plan was submitted to parliament in December.

NOTES

1. The Fifth Development Plan runs from the first day of 1352 (March 21, 1973) to the last day of 1356 (March 20, 1978).

2. The Iranian year begins on March 21.

3. The rate of exchange applied for conversion of rials into dollars is: $1 = 67.5 rials.

4. The term "billion" is used throughout the report to signify 1,000 million.

5. The present guide to the Fifth Plan is not an official translation. It is based closely on the official text and all the tables and figures are derived from the official documents.

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Part 1: Economic & Social Policies

General Goals

The quadrupling of revenues anticipated from oil during the Fifth Plan from the original estimate of $24.6 billion to an estimated $98.2 billion removed any financial constraints on development spending during the Plan period. There were, however, other constraints.

The country's productivity and infrastructure capacity had not grown as rapidly as its financial resources. Major bottlenecks were anticipated in manpower availability, infrastructure capacity (roads, ports, railways, trucking, etc.), supply of energy and construction materials.

The ready availability of foreign exchange meant that the Government could turn to markets abroad to meet domestic needs for materials and commodities. However, in this area, too, domestic infrastructure capacity and concern over imported inflation exercised a constraint.

The Government also wished to plan spending in a manner that allowed for investment abroad, as a guarantee for the future and as an outlet for foreign exchange revenues that could not be easily absorbed at home.

In view of these considerations, total fixed investment by both the public and the private sectors during the Fifth Plan period was set at 4,698.8 billion rials ($69.6 billion). Credits were distributed to ensure balanced growth between the different sectors and various regions of the country. But no limitation was placed on investment in the key sectors of agriculture, basic industries (particularly petrochemicals) and certain infrastructure areas.

A more flexible planning approach was adopted. Early each year, after a review of the previous year's achievements and balance sheet, allocations will be made for key projects and priority areas.

The broad aims of the Plan are to improve living standards and incomes, particularly of low-income groups; achieve continuous, balanced growth with minimum inflation; improve social services and spread social justice; protect the environment; distribute manpower resources more

evenly; spread scientific knowledge and technology; increase domestic production and industrial imports; invest surplus foreign exchange abroad to create new sources of wealth for the post-petroleum era; and preserve and promote the national culture and heritage.

Tax policy will aim at more comprehensive coverage, clarification of the purpose of each tax, improvement of the tax collection machinery to achieve higher revenues and develop taxes into an important source of Government income, and the utilisation of taxation as an instrument to achieve balanced economic growth and fairer distribution of income.

Budget policy will be designed to promote better income distribution and gradual regionalisation of the budget. It will aim at minimum utilisation by the public sector of banking credits. Budgets will be drawn up on a two-year basis, be subject to annual reviews and closely coordinated with the development plans.

Administrative policy will aim at decentralisation and administrative efficiency and strengthening of regional and local administration.

Defence policy will aim at strengthening and modernising the armed forces.

Specific goals and policies in various fields will be as follows:

Participation by the people in their own affairs will be encouraged through population policy and the development of local government and local elected bodies.

To achieve rapid economic growth in various sectors, large investments will be made in key industries, export industries and infrastructure. The private sector will be encouraged to invest in productive areas. Regional banks will be created. Savings will be encouraged. Internal shortages will be met from import markets. Monetary, fiscal and foreign exchange policy will be designed to prevent unreasonable price increases.

To help create a better distribution of wealth, special attention will be paid to low income groups, the rural population and small agricultural units. There will also be special emphasis on the less-developed regions, where regional development authorities will be created and investment incentives offered. Wage policy will be designed to protect workers against loss of purchasing power through inflation.

Social welfare programmes will be designed to improve nutrition of children and low income groups; create a multi-tiered health delivery system; and extend social insurance to uninsured groups, the old, pensioners and private sector employees. Education will be expanded and improved in quality. Housing will be made available to all groups through encouragement of loan and housing associations, easy credit, investment in the housing sector and policies to ensure adequate availability of manpower and construction materials.

To ensure the availability of adequate and qualified manpower, and to make better use of available manpower, labour mobility will be encour-

aged. Small industries will be created in rural areas. Formal education and vocational training will be rapidly expanded. Women will be encouraged to enter the labour force in larger numbers. An attempt will be made to apply the principle of equal pay for equal work, particularly in regard to the old and women. To fill gaps in skilled labour supply, specialists will be brought in from abroad, but only for specified periods.

To protect the environment and preserve natural resources, standards will be studied; industries that create heavy pollution will be transferred outside urban areas and private sector industries will be assisted to undertake such moves; the location of facilities such as airports will be determined with a view to environmental effects; and various preventive measures will be instituted.

To increase scientific knowledge and technology, technical education will be increased. More investment will be made on research. Closer coordination will be created between the private and public sectors, and between domestic and foreign industries and institutions.

GNP AT FIXED PRICES - 1351

(in billion rials)

	1346	1351	1356	growth rate/ 4th Plan	growth rate/ 5th Plan
A. Consumption expenditures	540	898	2,168	10.7	19.3
1. Private sector	(442)	(645)	(1,322)	(7.9)	(15.4)
2. Public sector	(98)	(253)	(846)	(20.8)	(27.3)
B. Gross fixed investment	151	287	1,052	13.7	29.7
1. Private sector	(77)	(141)	(319)	(12.9)	(17.7)
2. Public sector	(74)	(146)	(734)	(14.6)	(38.1)
C. Balance of payments on current accounts	-5	-20	465	–	–
D. GNP at current prices	686	1,165	3,686	11.2	25.9
E. Population in millions	26.5	31.0	35.9	3.0	2.9
F. GNP in rials	25,894	37,522	102,665	7.7	22.3
G. GNP in $s	384	556	1,521	7.7	22.3

To encourage industrial production and exports, priority has been given to investment in heavy industry, particularly by the public sector. Investment will be made in strategic industries abroad that can help supply domestic needs and provide a market for Iranian exports. Infant heavy industries will be assisted through a policy of grants, Government investment in infrastructure and support services, and tariff protection which will be maintained for a limited period of time and gradually reduced.

To meet domestic needs for goods and commodities, to help fight inflationary pressures, and to encourage healthy competition, imports will be encouraged and the policy of gradual lowering of tariffs and commercial taxes will be continued. Surplus foreign exchange will be utilised for extension of commercial loans to foreign countries; investment in joint ventures or acquisition of share participation in industrial and commercial enterprises abroad; and assistance to industrial states with short-term balance of payments difficulties and developing countries affected by the increase in oil prices.

Various measures will be pursued to preserve and promote the Iranian cultural heritage, to increase cultural education in the schools, to maintain and strengthen cultural links within the geographical area of Iranian culture and to spread the influence of the Persian language.

FIXED INVESTMENT / 5TH PLAN (in billion rials)

	Public sector	Private sector	Total
Public affairs	380.56	–	380.56
Imperial Court	–	–	–
Legislative branch	–	–	–
General administration	0.70	–	0.70
Judiciary	1.96	–	1.96
Implementation of domestic policy	0.40	–	0.40
Domestic security	0.60	–	0.60
International relations	–	–	–
Financial administration	1.00	–	1.00
Statistical and technical services	30.00	–	30.00
Information and mass media	26.90	–	26.90
Government buildings and facilities	319.00	–	319.00
Manpower administration	–	–	–
Defence	–	–	–
Social Affairs	591.52	694.85	1,286.37
Education	126.77	4.80	131.57
Arts and culture	9.10	1.00	10.10
Health, medical care and nutrition	42.05	3.65	45.70
Welfare	9.00	–	9.00
Physical education, scouting and youth affairs	15.00	0.40	15.40
Urban development	73.50	–	73.50
Rural development	60.00	–	60.00
Housing	240.00	685.00	925.00
Environmental conservation	6.10	–	6.10
Multi-purpose regional development	10.00	–	10.00
Economic Affairs	2,146.49	885.38	3,031.87
Agriculture and natural resources	176.85	132.40	309.25
Water	162.24	4.00	166.24
Electricity	310.50	–	310.50
Industry	277.14	503.00	780.14
Oil	535.90	87.80	623.70
Gas	120.00	47.50	167.50
Mines	61.80	4.50	66.30
Transport and communications	402.20	90.00	492.20
Post and telecommunications	91.30	–	91.30
Tourism	8.46	16.18	24.64
Commerce	0.10	–	0.10
Grand Total	3,118.57	1,580.23	4,698.80

Financial policy

During the period of the Fourth Plan (1968-73), Gross National Product, at 1351 (1972-73) prices, increased at an average annual rate of 11.2 per cent, rising from 688 billion rials ($10.2 billion) in the first year of the Plan to 1,165 billion rials ($17.3 billion) at the end of the Plan.

During the Fifth Plan (1973-78), GNP is expected to rise at an average rate of 25.9 per cent a year and to increase from 1,165 billion rials in 1351 to 3,686 billion rials ($54.6 billion) in 1356.

With population growth projected at 2.9 per cent a year, per capita GNP at real prices is expected to rise from 37,523 rials ($555.9) to 106,650 ($1,580) in the same period.

Consumption

The ratio of consumption expenditures to GNP will decrease from 77.1 per cent in 1351 to 58.8 per cent in 1356. But this figure is not regarded as an accurate reflection of consumption. The absolute increase in consumption and the considerably greater revenues accruing from oil must also be taken into consideration.

Consumption is a suitable social welfare indicator. During the Fifth Plan period consumption will rise at an average annual rate of 19.3 per cent. The comparable Fourth Plan figure was 10.7 per cent. In the Fifth Plan, private sector consumption is expected to grow at a rate of 15.4 per cent a year and public sector consumption at a rate of 27 per cent a year. The rapid growth of the public sector is due chiefly to higher expenditures for social services and welfare.

Changes are also taking place in the structure of components of GNP. As a social welfare indicator, as reflected in the figures already cited, the absolute growth in consumption is considerable. Moreover, if GNP is calculated without the component of Iranian investment abroad, then the ratio of consumption to GNP in 1356 will stand at 66.1 per cent.

GDP

Gross Domestic Product (which applies to those parts of the value of oil related exclusively to domestic factors) at 1351 prices will rise from

1,111 billion rials ($16.5 billion) in 1351 to 3,514 billion rials ($52.1 billion). Per capita GDP will rise from 35,832 rials ($530.8) in 1351 to 97,883 rials ($1,450.1).

ADDED VALUE OF MAJOR ECONOMIC SECTORS AT FIXED (1351) PRICES

(billion rials)

	1351	1356	annual growth rate
Agriculture	201.1	282.1	7.0
Oil	216.5	1,712.0	51.5
Industries and mines	247.4	566.0	18.0
Services	445.8	953.9	16.4
GDP	1,110.8	3,514.0	25.9

SHARE OF SECTORS IN GDP AT FIXED (1351) PRICES / END OF THE 3RD, 4TH AND 5TH PLANS

	1346	1351	1356
Agriculture	24.5	18.1	8.0
Oil	13.8	19.5	48.7
Industries and mines	21.3	22.3	16.1
Services	40.4	40.1	27.2
Total	100.00	100.00	100.0

Value added in the sector is expected to rise by 51.5 per cent annually. The greatest part of this leap took place in 1353 as a result of the substantial rise in the price of oil between October and December 1973. Growth in the agricultural sector is projected at 7 per cent a year, in industries and mines at 18 per cent and in the services sector at 16.4 per cent annually.

Revenue

Total Government revenues during the Fifth Plan are projected at 8,296.5 billion rials ($122.8 billion).

Of the total the oil sector will account for 6,628.5 billion rials ($98.2 billion), or 79.8 per cent of the total. This is 12 times the size of oil

REVENUES AND EXPENDITURES / 5TH PLAN
(1352 - 1356)

	Billion rials	Billion dollars
REVENUES		
Oil/Gas	6628.5	98.2
Direct taxes	547.0	8.1
Indirect taxes	668.0	9.9
Other*	253.0	3.7
Foreign loans	150.0	2.2
Bank credits (net)	—	—
Government bonds (net)	50.0	0.7
Total	8,296.5	122.8
EXPENDITURES		
Current expenditure	3393.3	50.2
Public affairs	(452.8)	(6.7)
Defence	(1968.7)	(29.1)
Social affairs	(754.0)	(11.1)
Economic affairs	(217.8)	(3.2)
Fixed investment	2848.1	42.2
Repayment of foreign loans	405.0	6.0
Miscellaneous payments	905.0	13.4
Investment abroad	745.1	11.0
Grand total	8,296.5	122.8

*Including 135 billion rials (2 billion dollars) revenue from foreign investments and loans.

sector revenues in the Fourth Plan.

Taxes will account for 1,215 billion rials ($18 billion) or 14.6 per cent of the total. Of the tax revenues, 547 billion rials will come from direct taxes. The figure reflects projections for expanded business activity and employment, differential tax rates and inflation. The remaining 668 billion rials will come from indirect taxes. Despite lower customs duties, the figure reflects expectations of considerable growth in imports.

Other revenue sources will yield 303 billion rials ($4.5 billion) or 3.8 per cent of the total. The chief items here are 135 billion rials ($2 billion) from investments abroad, 50 billion rials from the sale of Treasury Bonds to the non-banking sector, and revenues from state monopolies and other profitable enterprises.

The level of borrowing abroad will be considerably lower due to the Government's rising revenues and foreign exchange receipts. Revenues from foreign loans will provide a further 150 billion rials ($2.2 billion), or 2 per cent of the total.

Expenditure

Total public sector expenditures during the five-year period 1973-78 are also projected at 8,296.5 billion rials ($122.8 billion).

Of the total, current expenditures will account for 40.9 per cent, or 3,393.3 billion rials ($50.2 billion); fixed investment for 34.3 per cent, or 2,848.1 billion rials ($42.2 billion); loan repayments for 4.8 per cent, or 405 billion rials ($6 billion); welfare support and miscellaneous items for 10.9 per cent, or 905 billion rials ($13.4 billion); and foreign investment for 9 per cent, or 745.1 billion rials ($11 billion).

Total Government credits during the Fifth Plan (i.e., including all fixed investment and current expenditures, but excluding foreign loan repayment, foreign investment and the miscellaneous items and welfare support cited above) will come to 6,241.4 billion rials ($92.5).

Of this, public affairs will account for 13.3 per cent, or 833.3 billion rials ($12.3 billion); defence will account for 31.5 per cent or 1,968.7 billion rials ($29.2 billion); social affairs will account for 21 per cent, or 1,310.1 billion rials ($19.4 billion); and economic affairs will account for 34.2 per cent or 2,129.3 billion rials ($31.5 billion).

Government expenditures are generally classified under three categories: current expenditure, fixed investment, and non-fixed investment. The breakdown of the total 6,241.4 billion rials of Government expenditure according to these classifications is: current expenditure 2,872.6 billion rials ($42.6 billion); non-fixed development investment, 520.7 billion rials ($7.7 billion); and fixed investment, 2,848.1 billion rials ($42.2 billion).

Within the different sectors, the breakdown is as follows:

Of total public affairs expenditures of 833.3 billion rials, 402.9 billion rials will go to current expenditure, 380.6 billion rials to fixed investment and 49.9 billion rials to non-fixed investment.

Of defence affairs expenditure of 1,968.7 billion rials, the total sum will go to current expenditure, of which 1,967.4 billion rials will be allocated to military defence and the remaining 1.3 billion rials to civil defence.

Of total social affairs expenditure of 1,310.1 billion rials, 369.1 billion

rials will go to current expenditures, 556.1 billion rials to fixed investment and 384.9 billion rials to non-fixed investment.

Of total economic affairs expenditure of 2,129.3 billion rials, 131.9 billion rials will go to current expenditure, 1,911.5 to fixed investment and 85.9 billion rials to non-fixed investment.

Investment

The volume of fixed investment under the revised Fifth Plan has been projected at 4,698.8 billion rials ($69.6 billion). Of this total, public sector investment will account for 3,118.6 billion rials ($46.2 billion), while private sector investment will account for the remaining 1,580.2 billion rials ($23.4 billion).

Of total public sector fixed investment, 2,668.5 billion rials ($39.5 billion) will be invested directly by the Government, while another 450.1 billion rials ($6.7 billion) will come from the revenues of the state-owned commercial enterprises. Dependent in the past on Government assistance, these enterprises are now strong enough to undertake investment out of their own resources.

Of total private sector investment, 1,211.3 billion rials ($17.9 billion) will come from the private sector's own resources, and 189.3 billion rials ($2.8 billion) from foreign capital. The Government will provide a further 179.6 billion rials ($2.7 billion) for private sector investment in the form of loans and credits through the banking system.

During the Fourth Plan, private sector investment grew at the rate of 12.9 per cent and public sector investment at the rate of 14.6 per cent a year.

During the Fifth Plan, the comparable growth rates will be 17.7 per cent for the private sector and 38.1 per cent for the public sector. The public sector will, as a result, account for 66.4 per cent of total Fifth Plan fixed investment, while the private sector will account for 33.6 per cent.

This represents a higher share for the public sector than in the Fourth Plan or in the first version of the Fifth Plan. The more rapid increase in public sector investment was deemed necessary to meet social welfare needs, deal with infrastructure bottlenecks and lay the foundation for heavy industries in a number of fields.

Of total fixed investment, 380.6 billion rials ($5.6 billion) or 8 per cent has been allocated to the public affairs sector, 1,286.3 billion rials ($19.1 billion) or 27.4 per cent to the social affairs sector, and 3,031.9 billion rials ($45 billion) or 64.5 per cent to the economic affairs sector.

The breakdown of these figures within each sector is given in the accompanying tables and in following chapters.

One set of tables reflects fixed investment by both the public and private sectors in various areas during the Fifth Plan. The sum of these items will total the $69.6 billion Fifth Plan figure.

A second set of tables reflects total Government expenditures and investment in the different sectors for the Plan period. These tables show public sector fixed investment, non-fixed investment and current expenditures.

DISTRIBUTION OF PUBLIC SECTOR CREDITS / 5TH PLAN

(billion rials)

PUBLIC AFFAIRS	**TOTAL**	**402.90**
Imperial Court		10.20
Legislative branch		5.10
General administration		30.50
Judiciary		28.90
Implementation of domestic policy		9.40
Domestic Security		221.20
International relations		21.80
Financial administration		36.30
Statistical and technical services		19.40
Information and mass media		16.20
Government buildings and facilities		0.60
Manpower administration		3.30
DEFENCE	**TOTAL**	**1,968.70**
Military		1,967.40
Civil		1.30
SOCIAL AFFAIRS	**TOTAL**	**369.12**
Education		216.80
Arts and culture		11.10
Health, medical care and nutrition		76.63
Welfare		50.44
Physical education, scouting and youth affairs		6.15
Urban development		1.40
Rural development		4.60
Housing		–
Environmental conservation		2.00
Multi-purpose regional development		–
ECONOMIC AFFAIRS	**TOTAL**	**131.85**
Agriculture and natural resources		72.70
Water		3.50
Electricity		2.07
Industry		11.00
Oil		–
Gas		–
Mines		2.00
Commerce		2.00
Transport and communications		25.60
Post and telecommunications		11.90
Tourism		1.08
GRAND TOTAL		**2,872.57**

Fixed	Non-fixed	Total	Grand Total
380.56	49.86	430.42	833.32
–	–	–	10.20
–	–	–	5.10
0.70	4.20	4.90	35.40
1.96	3.30	5.26	34.16
0.40	1.80	2.20	11.60
0.60	7.90	8.50	229.70
–	–	–	21.80
1.00	5.40	6.40	42.70
30.00	5.40	35.40	54.80
26.90	19.36	46.26	62.46
319.00	0.50	319.50	320.10
–	2.00	2.00	5.30
–	–	–	1,968.70
–	–	–	1,967.40
–	–	–	1.30
556.07	384.89	940.96	1,310.08
128.87	205.57	334.44	551.24
9.60	11.00	20.60	31.70
42.50	117.61	160.11	236.74
9.00	21.56	30.56	81.00
15.00	11.60	26.60	32.75
45.00	3.60	48.60	50.00
60.00	1.80	61.80	66.40
230.00	–	230.00	230.00
6.10	5.75	11.85	13.85
10.00	6.40	16.40	16.40
1911.47	85.93	1,997.40	2,129.25
236.85	59.89	296.74	369.44
159.24	2.00	161.24	164.74
240.00	7.83	247.83	249.90
352.14	4.95	357.09	368.09
333.00	–	333.00	333.00
51.00	–	51.00	51.00
62.00	1.36	63.36	65.36
0.10	1.62	1.72	3.72
400.00	–	400.00	425.60
66.30	6.70	73.00	84.90
10.84	1.58	12.42	13.50
2,848.10	520.68	3,368.78	6,241.35

Commercial policy

New financial resources have opened up new possibilities to the country. They also impose new responsibilities towards the international community.

The Government will utilise its resources for the import of consumer, intermediate and capital goods, the import of skilled labour and the purchase of technology. It will seek in this way to meet domestic needs, build up domestic industry and curb inflationary pressures.

It will also utilise these resources to expand its export market; to purchase equity in ventures abroad as an investment for the future and support for domestic industry; and to fulfill obligations to the international community.

More specific policies to be pursued in these areas are the following:

Industry, imports and exports

The Government will review import regulations with a view to facilitating import of necessary goods and materials; it will permit passage of goods under passavant and customs bond. More use will be made of overland routes (Russia, Pakistan and Turkey). The Government will also aim at diversification of sources for strategic goods through the creation of mutual trade links, direct sale of oil and the conclusion of middle-term commercial agreements. Existing opportunities will be utilised to increase access for Iranian exports to the Common Market countries and, through the use of loans and grants to foreign countries, to secure Iran opportunities in other export markets.

In the industrial field, the Government will give priority, particularly in the public sector, to heavy industries where Iran enjoys a raw material advantage, such as petrochemicals, steel and copper. It will extend grants and provide tariff protection, for limited periods, to new

ventures in the heavy industry field. It will invest in strategic industries abroad to meet domestic needs for some intermediate goods, to secure technology and to complement domestic industries.

Foreign investment

Policy will be designed to increase the national wealth and secure new sources of income abroad. To this end, Iran will grant loans at commercial rates to industrialised countries and international monetary organisations. It will buy shares in industrial and service enterprises in foreign countries. It will secure share participation in industrial ventures in countries seeking to develop themselves.

The Government will also invest abroad in international shipping, air transport and road transport; in extraction industries and natural resource industries; in oceanic and seabed resources; in agriculture and fishing; in oil refining and distribution and petrochemicals in consuming countries; and in long-term supply contracts for strategic goods and other essential items.

Manpower

To secure the best in foreign technology and skilled manpower, the Government will encourage foreign investment in Iran in industries where the foreign counterpart has exclusive access to the relevant technology. It will continue links and contacts with international organisations. It will encourage Iranians abroad to return home, send more students abroad, and train others at home by using foreign teachers. It will import skilled and specialist manpower for specified periods.

International aid and grants

As a contribution to international economic stability, the Government will extend loans on fairly easy terms to international organisations to help industrial and developing countries meet balance of payments difficulties. It will refund outstanding foreign loans contracted on less favourable terms and contract no new foreign loans, utilising suppliers' credit only when essential. Iran will also provide credits to foreign countries supplying Iran with goods and commodities.

At the same time, the Government will provide easy loans and grants for development projects in developing countries, finance welfare projects in neighbouring states, continue contributions to international aid-giving organisations and participate in a special fund to aid the developing, oil-importing states.

Balance of Payments

Iran expects to earn $114 billion in foreign exchange, the bulk of it from oil, during the Fifth Plan, and to have a surplus of $17.5 billion at the end of that period.

The forecast of foreign exchange earnings, and payments during the Fifth Plan period also indicates that Iran will spend nearly $80 billion on imports during the five years of the Plan and that the Government will invest considerable amounts of its foreign exchange earnings in loans and investments abroad.

Of the total anticipated receipts of $114 billion, oil sales, both direct and through the commercial companies operating in Iran, are expected to account for $102.2 billion, or just under 90 per cent.

This is over four times the figure initially anticipated when the Fifth Plan was first drawn up in 1972, before the quadrupling of oil prices and represents an annual growth rate in the Plan period of over 60 per cent.

Non-oil exports, including gas, are expected to grow at an annual rate of 24.6 per cent and to account for another $4.9 billion in revenues during the Plan period . The rise in earnings is anticipated from higher gas exports, improved prices, and growth of exports in general.

The revised Fifth Plan lays much emphasis on promoting exports, particularly of manufactured and capital goods. Total earnings from non-oil exports are thus expected to be 3.3 times the comparable figure during the Fourth Plan.

Export of services is expected to grow at an annual rate of 36.1 per cent and yield $4.9 billion.

Finally, earnings on investments and loans abroad — a new source of revenues — is expected to bring in about $2 billion.

On the payments side on current account, imports are expected to rise with extreme rapidity, growing at an average rate of 60 per cent a year. It is now Government policy to rely on imports where necessary and to use its large foreign exchange resources to meet domestic shortages in basic foods, raw materials and industrial goods.

BALANCE OF PAYMENTS/5TH PLAN
(billion dollars)

1. Receipts on current account		114
Oil sector	102.2	
Export of goods	4.9	
Export of services	4.9	
Earnings on investment abroad	2.0	
2. Payments on current account		94.7
Imports	79.1	
Services	14.3	
Foreign loan servicing	1.3	
3. Net current account		19.3
4. Receipts on capital account		4.7
Foreign loans and credits/public sector	2.2	
Other loans and foreign private investment	2.5	
5. Payments on capital account		–6.5
Repayment of public sector foreign loans	6.0	
Repayment of other loans and export of private capital	0.5	
6. Net capital account		–1.8
7. Net capital and current accounts		17.7

The policy of easing import restrictions, and possibly tariffs and commercial taxes, to meet needs, to help hold down inflationary pressures and to encourage competition in industry, will also be continued.

Total imports during the Fifth Plan period are expected to come to $79.1 billion. Import of services will account for another $14.3 billion. Imports of both goods and services will be over seven times the total during the Fourth Plan.

A further $1.3 billion will be spent on foreign loans and debt servicing. With total payments coming to $94.7 billion, the surplus on current account during the Plan period will be $19.3 billion.

On the balance of payments capital account, total receipts are projected at $4.7 billion. Of this, loans and credits to the public sector will come to $2.2 billion. This comes to average borrowing and credit utilisation of about $400 million per year and means the Government will be borrowing somewhat more during the latter half of the Plan than in the first half.

Government policy, however, is not to borrow or utilise suppliers' credits except where necessary. Debt repayment in 1973-78 will in fact

exceed new borrowing. But borrowing will take place, for example, in the case of the World Bank where technical assistance and loans are tied together, and Iran desires the technical assistance.

The Plan and Budget Organisation also anticipates that $2.5 billion will enter the country during the Fifth Plan period in the form of foreign private sector investments. This comes to 8.3 times the comparable figure in the Fourth Plan.

Total repayments on capital account will come to $6.5 billion. Of this, debt settlement by the Government will come to $6 billion. Debt repayment in the first two years of the Fifth Plan (by March, 1975) will add up to slightly over $1 billion. A further $300 million is scheduled for repayment in 1354 (1975-76). The debt repayment burden to be carried in the last two years of the Plan will be considerably higher than in the first three.

Private sector debt repayment and capital outflow will come to another $500 million. With receipts on capital account amounting to $4.7 billion and payments to $6.5 billion, the net balance on capital account is negative to the tune of $1.8 billion.

The net surplus on both current and capital account is thus about $17.5 billion. Out of this reserve, Iran will finance any unforeseen foreign exchange expenses and also its programme of foreign aid and foreign investment.

Iranian foreign aid and investment policy will be guided by a number of goals and policies. The Government will be utilising its foreign exchange surplus to help developing countries in need and industrial states with balance of payments difficulties, to ensure adequate supplies of essential goods to the domestic market, and to expand Iran's foreign and export markets.

The Government will thus continue its policy of grants and easy loans to developing countries, both on a bilateral basis and through multilateral agencies. It will also continue to loan, at commercial rates, to the industrial states facing short-term balance of payments difficulties.

It will provide credits to help expand productive capacity in areas, such as agricultural products and foods, where domestic shortages exist and to underpin long-term supply contracts.

Finally, policy is to continue to seek investment and share participation in enterprises abroad. Such investment will be designed to link important sectors of Iranian industry at home with advanced industry abroad, to secure Iran access to new technology and to promote outlets for Iranian industrial exports.

The Government will at the same time be seeking through investment to expand its stake in international shipping and transport. It will also be investing with a view to ensuring the country of new, important sources of income for the post-oil era.

Manpower & Employment

The population is expected to grow at about 2.9 per cent annually during the Fifth Plan period and rise from 31 million in 1351 to 36 million in 1356. The Government aim is roughly to halve the birth rate over a 20-year period.

Population distribution by sex and age will remain fairly stable. At the end of the Fifth Plan, men will account for about 51 per cent and women 49 per cent of the total population. Some 45.2 per cent between 15 and 64 years; and 3 per cent 64 and above.

Urbanisation will continue to be rapid. The urban population will grow annually at a rate of 5 per cent and the rural population at a rate of 1.2 per cent. As a result a large portion of the population will be living in urban areas at the end of the Fifth Plan as against the end of the Fourth Plan.

At the beginning of the Fifth Plan, 42.7 per cent of the population (13.3 million) were living in urban areas and 57.3 per cent (17.7 million) in rural areas. At the end of the Fifth Plan, 47.3 per cent of the population (17.9 million) will be living in urban areas and 52.7 per cent (18.1 million) in rural areas.

The activity rate (ratio of economically active population to total population) will decline slightly from 29.5 to 28.5 per cent, and ratio of the economically active population to population aged 12 and over will decline from 46.1 to 45.8 per cent.

This is chiefly due to more children being in school and the later school-leaving age. The activity rate among males will decline from 77 to 75 per cent. But activity rate among women will rise from 13.6 to 15.3 per cent.

As a result of these developments, 1,389,000 persons will be added to the labour force. However, Fifth Plan investments are expected to generate 2.1 million new jobs. There is a short fall of about 700,000 in manpower supply that will not be filled through the normal growth of the labour market.

ISTRIBUTION OF NEW EMPLOYMENT OPPORTUNITIES BY ECONOMIC SECTORS / 5TH PLAN

(in 1,000 persons)

nomic sector	Persons	Per cent
riculture	129,600	6.1
lustries and mines	846,000	40.0
and gas	12,500	0.6
ter and electricity	44,000	2.2
nstruction	528,000	25.0
rvices	551,900	26.1
otal	2,112,000	100.00

The greatest shortage will be felt at the skilled and semi-skilled worker level, where an additional 560,000 men and women will be needed. But a shortage of top echelon cadres is also anticipated: 16,100 engineers, 22,600 medical staff, 57,400 educational staff, 41,600 technicians and 13,500 other types of personnel.

Goals

Manpower and employment policy will be directed at meeting these shortages, creating employment for all who want it, facilitating labour mobility, bringing more women into the work force and creating a closer relationship between wages, productivity and the cost of living.

To improve manpower recruitment, the Government will increase its present recruitment centres from 50 to 350. About 200 of these will be mobile. The aim is to cover all provincial and urban industrial centres. It will seek to bring more women into the work force.

A National Employment Committee, representing labour, industry and the Government (at a ministerial level) will be established to draw up guidelines to help meet requirements for specialised workers, to ensure that transfers of workers take place in orderly fashion and to coordinate other areas of activity.

The Government will establish a Labour Health and Safety Centre to strengthen measures against industrial accidents and to improve workers' safety at places of work. It will revise the Labour Law in the interest of worker protection. It will also create an unemployment insurance fund to assist workers put out of jobs by technological change. Factories will be encouraged to provide sports and recreation facilities next to industrial units.

SUPPLY, DEMAND AND SHORTAGE OF MANPOWER / 5TH PLAN

(in 1,000 persons)

Major fields	demand	supply	shortage
Engineers	36.4	20.3	16.1
Medical cadre	44.1	21.5	22.6
Educational cadre	287.4	230.0	57.4
Miscellaneous	279.5	266.0	13.5
Technicians	116.6	75.0	41.6
Skilled and semi-skilled workers	810.0	250.0	560.0
Unskilled workers	538.0	528.0	10.0
Total	2,112.0	1,390.8	721.1

Measures will be taken considerably to increase training of technicians and skilled labour. Existing vocational training centres will be expanded and put on two shifts. Mobile vocational training units will be established to give short-term training and turn unskilled workers into semi-skilled labour. The military service period will be utilised for vocational training purposes.

Tax-benefits and other aid will be given to the private sector as encouragement to train more skilled workers. Private industry will be encouraged to establish training units adjacent to factories through long-term Government loans.

Training of vocational-school teachers is to be expanded at home at existing vocational and technical schools, and abroad through encouragement of Iranians abroad, who are not yet in university, to enter such courses. Salaries and incentives will be improved to encourage more students to train as vocational teachers. Arrangements are being made with the International Labour Organisation to provide Iran with instructors and to accept Iranians for teacher-training at ILO centres abroad.

At the technician level, the Government will offer inducements to bring educated Iranians home from abroad, send students abroad for specialised training, permit ministries to create their own training courses, and import foreign skilled and technical personnel for specific jobs for limited periods.

SUPPLY, DEMAND AND SHORTAGE OF MANPOWER / 5TH PLAN

(in 1,000 persons)

	Demand	Supply	Shortage
ENGINEERS			
Architects, civil	7.8	4.0	3.8
Electric and electronics	5.5	2.8	2.7
Mechanical	6.9	4.2	2.7
Chemical, mining and metallurgy	2.0	1.0	1.0
Others	14.2	8.3	5.9
MEDICAL CADRES			
Physicians	8.5	7.2	1.3
Others	35.6	14.3	21.3
EDUCATIONAL CADRES	287.4	230.0	57.4
MANAGEMENT LEVEL	22.5	21.0	1.5
TECHNICIANS	116.6	75.0	41.6
OTHER TECHNICAL AND SKILLED CADRES	8.0	4.0	4.0
ADMINISTRATIVE AND CLERICAL, SALES	185	185	–
MINERS	23.0	15.0	8.0
TRANSPORT	41.0	41.0	–
SKILLED AND SEMI-SKILLED WORKERS	520	230	290
SKILLED CONSTRUCTION WORKERS	290	20.0	270.0
UNSKILLED WORKERS	538	528	10.0
TOTAL	2,112.0	1,390.8	721.2

Energy

Goals

Given its rich deposits of oil and gas, the country has ample sources of energy. But due to the rapid growth of the economy, the production and supply of energy fuels for electricity generation, transport and industry constitute one of the potential bottlenecks during the Fifth Plan period. In the course of the Fifth Plan and beyond, therefore, the Government will begin to elaborate a long-term energy policy.

The overall goal of the Fifth Plan is to meet domestic energy requirements and to gradually replace the present heavy reliance on oil as an energy source with substitute sources.

To this end, the Government will invest substantially in the oil and gas industries and in electric power generation. It will begin establishment of nuclear power plants. It will initiate research on alternative sources of energy.

It will encourage substitution of gas for oil wherever feasible. If domestic production of energy proves inadequate to meet needs, foreign energy sources will be utilised.

Needless to say, the Government will also continue to export sufficient quantities of oil to meet the needs of the foreign market and to earn foreign exchange; and it will invest in conversion of oil into chemicals, petrochemicals, foods and other products.

A centralised, coordinated system for energy policy and planning will be created to ensure supply policy and planning will be created to ensure supply is adequate to match demand and to permit an adjustment of product prices.

Programmes

It is anticipated that at a projected annual average economic growth rate of 25.9 per cent, energy consumption will rise at about 18 per cent a year.

More specifically, per capita energy consumption is expected to increase at an average annual rate of 13.2 per cent, from the equivalent of 590 litres of kerosene in 1351 to 116 litres of kerosene (10 million kilocalories) in 1356.

RATE OF GROWTH IN DOMESTIC SUPPLY OF VARIOUS TYPES OF ENERGY 3RD, 4TH AND 5TH PLANS

per cent per annum

	1341-46	1346-51	1351-56
Oil	11.4	11.2	17.7
Gas	15.2	16.9	24.0
Coal	6.9	–	4.5
Hydro-electricity	23.0	34.0	12.2
Average growth rate of commercial energies	12.7	12.8	18.4
Non-commercial energies	-8.6	-9.0	-14.5
Combined average	10.9	11.4	17.9

Note: rate of growth based on calorific value.

Supply of commercial forms of energy (oil, gas, coal and hydro-electric power) is expected to increase at an average annual rate of 18.4 per cent while supply of non-commercial forms of energy (wood, charcoal and animal fuels) is expected to decrease at an average annual rate of 14.5 per cent. This will give a net increase in energy supply of 17.9 per cent annually, or an increase from the equivalent of 18.1 million cubic metres (156.8 trillion kilocalories) in 1351 to 41.2 million cubic metres kerosene equivalent (357 trillion kilocalories) in 1356.

Whereas in 1351 commercial forms of energy constituted 96.7 per cent of total energy supply and non-commercial energies 3.3 per cent, in 1356 commercial energies will account for 99.2 per cent of the total.

The composition of energy supply in 1356 as compared to 1351 shows that oil, although accounting for a slightly smaller percentage of the total (70.3 per cent in 1356 as against 71 per cent in 1351) will continue to constitute the major source of energy. The share of gas

will rise dramatically (from 18 to 23.2 per cent), while the share of coal (from 1.1 to 0.6 per cent) and hydroelectric power (from 6.5 to 5.1 per cent), will both decline. The share of non-commercial fuels, as pointed out above, will fall from 3.3 to just under one per cent.

DOMESTIC SUPPLY OF VARIOUS ENERGY FORMS 3RD, 4TH AND 5TH PLANS

	1341	1346	1351	1356
	(based on 1,000 cubic metres kerosene equivalent)			
Oil	4,436	7,600	12,855	28,994
Gas	1,147	1,496	3,257	9,568
Coal	166	201	200	247
Hydro-electricity	35	279	1,188	2,104
Total commercial energies	5,784	9,566	17,500	40,913
Non-commercial energies	1,557	984	614	310
Grand Total	7,341	10,550	18,114	41,243
	(based on trillion kilocalories)			
Oil	38.4	65.8	111.3	251.0
Gas	9.9	12.9	28.2	82.9
Coal	1.4	1.7	1.7	2.1
Hydro-electricity	0.3	2.4	10.3	18.3
Total commercial energies	50.0	82.8	151.5	354.3
Non-commercial energies	13.5	8.5	5.3	2.7
Grand Total	63.5	91.3	156.8	357.0

The Government regards the emergence of gas as one of the major sources of energy as desirable for several reasons. It is produced alongside petroleum and its greater utilisation will prevent waste. Production of middle fuel distillates requires a high level of investment; gas production is cheaper. Compared to oil, gas emits a lower level of air pollutants. Greater utilisation of gas will permit a review of prices for oil products and closer coordination of prices to production costs.

Gas energy supply will practically triple during the Fifth Plan. Hydroelectric power generation will increase by some 90 per cent but its share in total energy supply will drop. Coal production will rise slightly, and its share in total energy supply will also decline.

STRUCTURE OF DOMESTIC SUPPLIES OF DIFFERENT ENERGY FORMS

(per cent)

	1341	1346	1351	1356
Oil	60.5	72.1	71.0	70.3
Gas	15.6	14.1	18.0	23.2
Coal	2.2	1.9	1.1	0.6
Hydro-electricity.	0.5	2.6	6.5	5.1
Total commercial energy	78.8	90.7	96.6	99.2
Non-commercial energy	21.2	9.3	3.4	0.8
Grand Total	100.0	100.0	100.0	100.0

Environmental Conservation

Population growth, industrialisation and rapid development in all spheres necessitate measures to preserve and maintain a healthy environment for the present and future generations, to prevent pollution and repair environmental damage.

The Fifth Plan marks the first occasion that environmental conservation appears as part of development planning. All types of pollution cannot be prevented within the short course of a five-year plan. The programme in this sector will give priority to measures of environmental protection that will not hamper industrial and agricultural production and to measures of prevention.

Experience gained in other countries will be applied to the Iranian situation; local research organisations will be equipped to carry out domestic research on pollution control.

Programmes

Numerous parks will be created to enable people to make the traditional Iranian outing; price and tax policy will be designed to require the agency or organisation causing pollution to bear the cost of the damage; the Government will provide credit and technical assistance to the private sector to encourage pollution-prevention measures; more logical land-use measures will be implemented and the necessary laws and regulations will be submitted to the relevant bodies.

The High Council for Environmental Conservation will be responsible for coordinating environmental programmes; while the Department of Environmental Conservation will be charged with supervising and implementing all activities in this sphere. A special environmental guard will be created, and the guards of other relevant organisations will be utilised.

Specific projects include numerous programmes of research and data collection aimed at better knowing the environment and identifying location of rivers, waterways, lakes; the nature of various eco-systems on the Caspian and Persian Gulf coasts and elsewhere; and the nature of plant and animal life in various parts of the country.

The projects will include studies of various types and sources of environmental pollution, including industrial wastes, noise, physical disfigurement of the environment and the effect of pollutants on the environment and inhabitants.

Finally, the programme will include measures to protect the environment, to deal with sources of pollution, to create natural reserves, to educate the public and to implement the necessary regulations and standards for environmental conservation.

Investment

Total investment and expenditure in environmental protection during the Fifth Plan period will come to 13.8 billion rials. Of this, fixed investment will account for 6 billion rials, non-fixed investment for 5.8 billion rials and current expenditures for 2 billion rials.

TOTAL CREDITS FOR ENVIRONMENTAL CONSERVATION/5TH PLAN
(billion rials)

	Current credits	Development credits			Total
		fixed	non-fixed	total	
Environmental conversation	1.0	2.69	2.64	5.33	6.33
Research	0.5	1.95	2.0	3.95	4.45
Administration	0.5	1.46	1.11	2.57	3.07
Total	2.0	6.1	5.75	11.85	13.85

FIXED INVESTMENT IN ENVIRONMENTAL CONSERVATION/5TH PLAN
(billion rials)

	Public sector	Private sector	Total
Environmental Conservation	2.69	–	2.69
Research	1.95	–	1.95
Administrative services	1.46	–	1.46
Total	6.10	–	6.10

Regional Development

In the last few years of the Fourth Plan, a beginning was made at drawing up projects on a regional basis. These projects were founded on the special resources and needs of the region and on close coordination of planning and execution.

The experience indicated that the regional approach facilitated the participation of the people through the local councils in the planning process, boosted economic activity in less-developed areas and encouraged a re-examination of investment criteria.

The technical and planning capabilities of the provincial governments were at the same time strengthened through the creation of regional development authorities in less-developed areas and the establishment of planning and budget bureaus in 23 provinces and governorates. The Centre for Education and Research in Regional Planning, established with the cooperation of the UN, facilitated training of personnel and research into regional planning problems.

The regional development programme aims are more balanced growth between the regions; special attention to less-developed areas and more equal distribution of social and welfare services; strengthening of representative local bodies to permit greater participation by the people in the planning process; and decentralisation of planning, execution and various services.

The Government will invest, and encourage the private sector to invest, in the development of less-developed areas. To this end, tax and financial incentives will be provided for the private sector.

Investment will be directed at generating employment in areas of outward emigration; establishing handicraft and agricultural processing industries where feasible; implementing social welfare projects for low income rural and urban groups; and encouraging social development

among tent dwellers and tribal groups, particularly by providing facilities for modern livestock breeding and encouraging voluntary, gradual settlement.

Five-year development plans will be drawn up for each province, and governorate with a view to closer coordination of development programmes. Industrial, agricultural, social service, tourism, housing and similar poles will be created.

The programme will also aim at the gradual transfer of responsibilities of executive departments from the centre to local branches; the transfer to the provinces of offices with exclusively local duties; regionalisation of the ordinary budget; gradual regionalisation of the activities of consulting engineers and contractors; the creation of regional development banks for the mobilisation of small savings and their utilisation in local development projects; and the extension of long-term, low-interest loans, supported by technical assistance.

Programmes

Funds for regional development projects will come from the allocations for various economic and social affairs sectors. The range and variety of these projects has been substantially expanded under the Fifth Plan. At least 40 per cent of development funds in the Plan are intended for special regional and local projects.

- Creation of 50 tribal complexes in Lorestan, Sistan and Baluchestan, Fars, West Azarbaijan, Kerman, Chahar-Mahal Bakhtiari, Kohkiluyeh and Boyer Ahmadi, Kurdestan and Kermanshahan, each with an approximate capacity of 2,000 families.

- Drawing up and implementation of comprehensive programmes, as pilot projects in five areas, aimed at providing services and creating productive activities through maximum utilisation of the creative energies of the local population and employment of all possible manpower, natural and financial resources.

- Studies towards determining regional development policies.

- Training and educational programmes for local elected officials and civil servants on regional planning, development and management.

- Creation of six regional banks.

Investment

Total fixed investment in regional development during the Fifth Plan has been projected at 10 billion rials.

TOTAL CREDITS FOR REGIONAL DEVELOPMENT/5TH PLAN

(billion rials)

	Current credits		Development credits		Total
		fixed	non-fixed	total	
Strengthening Provincial administration	–	–	1.4	1.4	1.4
Comprehensive regional development	–	0.5	0.5	1.0	1.0
Tribal areas development	–	4.0	1.9	5.9	5.9
Credits for regional development	–	5.5	0.1	5.6	5.6
Research	–	–	2.5	2.5	2.5
Total	–	10.0	6.4	16.4	16.4

FIXED INVESTMENT IN REGIONAL DEVELOPMENT/5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Strengthening provincial administration	0.5	–	0.5
Tribal areas development	4.0	–	4.0
Credits for regional development	5.5	–	5.5
Total	10.0	–	10.0

Part 2: Public Affairs & Defence

Public Affairs & Defence

Rapid development has led to the need for expansion of public services. Government buildings and installations aside, little attempt was made in previous plans to incorporate planning for the administration of Government domestic security and defence and to coordinate this with planning for the various economic and social affairs sectors.

The revised Fifth Plan is the first to include medium-term planning for the public affairs sector, including such areas as public administration, judicial, financial and manpower administration, domestic security administration etc.

Goals

The broad goals of the Government in this sector are to rationalise and strengthen decision-making and administration throughout Government service through the introduction of better management techniques; to improve tax and judicial administration; to continue decentralisation by transferring more authority to provincial governments and strengthening the technical and administrative capacities of these; to improve national accounting systems; to introduce more flexible planning; and to improve and strengthen techniques and systems for collection and retrieval of data, statistics and information.

Administration

An attempt will be made to confine ministries in Tehran to staff work (determination of guidelines and supervision) and to transfer executive functions to provincial offices and departments. This will mean keeping in Tehran only those personnel involved in staff work and transferring executive personnel to the provinces.

Provincial governments will be strengthened by the transfer of greater authority to draw up, coordinate and supervise local projects to provincial governors and governors-general; the improvement of technical and administrative capacity of provincial governments; provision of greater financial and manpower resources; closer coordination of local development projects and creation of regional development authorities; and the establishment of the Centre for Research and Training in Regional Development.

The local councils law will be re-examined with a view to strengthening the decision-making capacities of local councils so that all decisions

of a local nature will be taken locally. No new departments, which can be located outside the capital, will be established in Tehran. Incentives will be provided to civil servants to work in the provinces.

Six newly created provinces will be staffed and equipped and the equipment of provincial governments will be standardised.

Improved management will be introduced in Government departments; red-tape and unnecessary formalities will be eliminated; duties will be more clearly defined; and closer supervision will be instituted.

The Civil Service Code will be revised, with a view to emphasising ability rather than paper degrees. Salary scales will be reviewed on a continuous basis. Branches of the State Organisation for Administrative and Employment Affairs will be established at 10 provincial centres. The minimum civil service salary will rise to 12,000 rials per month by the end of the Fifth Plan.

The budget and planning systems will be improved and more flexible planning systems, providing for annual reviews of the Plan, will be introduced. Attempts will be made to ensure that every large development project is accompanied by a plan of execution that takes into consideration administrative manpower and material requirements.

Data, Statistics, Information

A considerable expansion and improvement of information gathering, storage and retrieval systems is envisaged during the Fifth Plan. This will involve better training of personnel, utilisation of modern facilities such as computers, earth satellite stations, data banks and the like. In addition to general statistics and information, the programme will concentrate on developing climatological and meteorological data, industrial and agricultural statistics, minerological information and maps.

The programme foresees standardisation of data and statistics; improvement of collection and classification of vital statistics information; a preliminary agricultural census covering some 4,000 settlements and an industrial census covering 20,000 units. The national census will also be held. Statistics will be collected, in a large pilot project, to determine needs of the Sixth Plan.

Measures will also be taken to upgrade mapping techniques, with an emphasis on speed, accuracy and flexibility. National maps of the scale of 1:50,000 and 1:25,000 will be reviewed and completed. Aerial photographs of Tehran will be taken on the scale of 1:500 for the five-year city limits and on the scale of 1:1,000 for the 25-year city limits.

The coastal waters and high seas of the Persian Gulf, Oman Sea, Mazandaran (Caspian) Sea and domestic lakes and rivers, port facilities and sea basins will be mapped. A cadastral survey will be undertaken on a priority basis of Iran's towns and agricultural areas. Iran's civil and military airports will be mapped.

A large number of weather stations will be established for collection of climatological and meteorological information.

Judiciary

The civil, commercial and criminal codes will be reviewed, improved and, where necessary, completed. Judicial, registration and endowments

systems will be reviewed and coordinated more closely with the needs of society, in keeping with Iranian economic, social, political, religious and cultural conditions. Identification cards will be issued for properties and other registered items.

The situation of directly administered and indirectly administered endowment properties will be reviewed and delimited. Crime prevention, detection and prosecution techniques will be improved; the campaign against general and narcotics smuggling will be stepped up; and the Highway Police will be strengthened.

The Government will also take measures to improve prisons, upgrade the health of inmates, increase the number of vocational workshops in penitentiaries from 20 to 50 and create open prisons.

Recruitment and training of personnel for the judiciary and institutes for the training of police and gendarmerie will be upgraded and expanded.

In the course of the Fifth Plan, the number of police stations will be increased from 256 to 296, traffic police posts in cities from 106 to 130, Highway Police posts from 70 to 90 and gendarmerie posts from 2,018 to 2,100.

A total of 75 new endowment organisation offices will be established at the township (shahrestan) level and 9 shahrestan endowment organisation offices will be upgraded to offices at the province (ostan) level. Twenty-five new registration department offices will also be established.

The number of provincial, township and district courts will be increased; 4,000 new equity houses will be established; and other court units, such as coroners' offices, will also be increased.

Finances

Tax rates will be reviewed within the context of a graduated income tax to achieve a more equal distribution of income and more comprehensive coverage. Tax administration will be reformed, and its functions will be reviewed on an annual basis. Tax offices will be better equipped to improve efficiency in collection.

Better accounting systems will be introduced at the national level. A total of 23 branches of the General Auditors Office (Divan-e Mohasebat) will be established at provincial centres, and their work will be closely coordinated with the work of the provincial tax department heads. Speedier assessment and auditing systems will be introduced.

Manpower

The application of labour laws will be extended. Labour laws will be subject to continuous review. Worker training, particularly of women, will be expanded and workers will be encouraged to join labour organisations. Younger workers will be encouraged to participate in technical training programmes. More skilled workers will be trained to meet labour market needs. Iran will become a party to ILO agreements, in keeping with national interests and policies. More conferences on workers' problems will be organised. Job classification will be expanded.

The number of workers participating in profit-sharing will increase

from 290,000 to 500,000 as the number of industrial workshops and units where profit-sharing applies is raised from 3,300 to 15,000. Labour and social affairs offices will be established in all towns with a population greater than 25,000.

The number of vocational boarding schools will be increased from five to 60; 350 mobile vocational training units will be established; the number of mobile and fixed recruitment offices will be increased to 335. Guidelines and criteria will be established for labour mobility; there will be continuous statistical sampling; various research programmes will be implemented; and the number of women in the Social Service Corps will rise to 3,000.

Foreign Affairs

New representative offices will be established abroad in keeping with the expansion of Iran's foreign relations.

Defence

Iran's defence capacity will be expanded to ensure defence of the national interests, independence and territorial integrity, permitting the country to enjoy peace and stability and to continue its development. Defence spending will continue to contribute to training of personnel, creation of infrastructure and, through the Revolutionary Corpsmen, the improvement of health, education and extension services.

Training and equipment of civil defence and supporting units will be expanded and improved. Programmes will be implemented for closer coordination of public and private sector emergency units, the exchange of information with civil defence units of other countries, and the training of school and university students in handling emergencies. There will be trial civil defence exercises in all cities. the Aryamehr steel mill emergency signals system will be improved; and measures will be taken in cooperation with Tehran Municipality to minimise danger to life in city buildings.

Mass Media

Printing works will be expanded. An information centre, a press services company and a centre for public opinion research will be established. The Pars News Agency will be expanded. Contacts with other countries in the mass media field will be increased. Films and slides on the transformation of Iranian cities and towns will be prepared for those involved in development projects. Programmes to inform the public of developments at home and abroad will be implemented.

Investment

Fixed investment in the public affairs sector during the Fifth Plan is projected at 380.6 billion rials ($5.6 billion). It should be noted however that further sums of 49.9 billion rials (about $740 million) for non-fixed development expenditures, and of 402.9 ($6 billion) for current expenditures are foreseen. Defence expenditures during the Fifth Plan period are projected at 1,968.7 billion rials ($29.2 billion), of which $29.1 billion will go to military defence and $19.2 million to civil defence.

TOTAL PUBLIC AFFAIRS CREDITS / 5TH PLAN
(billion rials)

	Current credits	Development credits			Grand total
		fixed	non-fixed	total	
Imperial Court	10.20	–	–	–	10.20
Legislative branch	5.10	–	–	–	5.10
Domestic administration	30.50	0.70	4.20	4.90	35.40
Judiciary	28.90	1.96	3.30	5.26	34.16
Domestic policy	9.40	0.40	1.80	2.20	11.60
Domestic security	221.20	0.60	7.90	8.50	229.70
International relations	21.80	–	–	–	21.80
Financial administration	36.30	1.00	5.40	6.40	42.70
Statistical and technical services	19.40	30.00	5.40	35.40	54.80
Information and mass media	16.20	26.90	19.36	46.26	62.46
Government buildings and facilities	0.60	319.00	0.50	319.50	320.10
Manpower administration	3.30	–	2.00	2.00	5.30
Total	402.90	380.56	49.86	430.42	833.32

FIXED INVESTMENT IN PUBLIC AFFAIRS / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Imperial Court	–	–	–
Legislative branch	–	–	–
General administration	0.70	–	0.70
Judiciary	1.96	–	1.96
Domestic policy	0.40	–	0.40
Domestic security	0.60	–	0.60
International relations	–	–	–
Financial administration	1.00	–	1.00
Statistical and technical services	30.00	–	30.00
Information and mass media	26.90	–	26.90
Gov't buildings and facilities	319.00	–	319.00
Manpower administration	–	–	–
Total	380.56	–	380.56

NATIONAL DEFENCE CREDITS / 5TH PLAN

(billion rials)

	Current credits	Development credits			Grand total
		fixed	non-fixed	total	
Military defence	1,967.4	–	–	–	1,967.4
Civil defence*	1.3	–	–	–	1.3
Total	1,968.7	–	–	–	1,968.7

*The credit for civil defence training is reflected in the education budget.

Part 3: Economic Affairs

Agriculture & Natural Resources

Goals

Given its role in the production of food and primary raw materials for industry, and also the manpower engaged in cultivation, the agricultural sector continues to retain a highly important position in the Iranian economy. In 1351, the added value of the agricultural sector accounted for about 18.2 per cent of Gross Domestic Product (with the inclusion of the oil sector) and for 22 per cent of GDP when the oil sector was excluded.

The agricultural sector experienced an annual growth rate of about 4 per cent during the Fourth Plan. The larger part of the country's agricultural areas still lack a regulated water supply and climatic conditions remain among the most important factors in determining the level of agricultural production, particularly wheat, barley and feed grains. Production levels of some items were higher than anticipated. But the growth of the agricultural sector as a whole did not reach the projected levels.

It is essential to expand agricultural production, in view of increasing purchasing power and rising demand for agricultural products. Otherwise food imports will exert great pressure on foreign exchange resources and may also affect the pace of industrial expansion. Given world food shortages, it may not prove possible, even with adequate foreign exchange, to obtain the necessary food products in desirable quantities and desirable quality.

Inadequate port, silo, warehouse and cold storage capacity, despite rapid expansion programmes, underlines the need for agricultural expansion programmes. At the same time, in the interests of a more equal distribution of incomes and a wider market for products of domestic industries, it is necessary to increase the income of the 40 per cent active population that lives in rural areas.

The broad aims of the programme in this sector are to make optimum utilisation of natural resources while preserving them for future

generations; increase per capita production and per capita income utilising advanced technology, particularly in cooperatives, farm corporations, agro-industrial compani s, livestock complexes and agro-businesses; and reduce under-employmen in rural areas through more intensive agriculture, advanced technology, processing industries, handicrafts and other non-agricultural activities, rural construction, livestock breeding complexes, development of uncultivated and pastureland, and integration of agriculture with livestock breeding.

The aim is to achieve an annual growth rate in the agricultural sector in the course of the Fifth Plan of 7 per cent.

Land utilisation

Provisions will be made during the Fifth Plan for membership of all farmers in cooperatives or farm corporations. Private sector investment in mechanised and commercial farming will be encouraged and the Government will provide technical, credit and financial assistance to such investors. Necessary assistance will be given to those investors who wish to establish cooperatives, agricultural and livestock companies and agro-industries.

Credit and executive policy

Achievement of a 7 per cent annual rate of growth will not be feasible without transformation of attitudes, relevant laws and regulations and the structure of the relevant executive, service and credit organisations; and also expansion of the aborptive capacity for private and public sector investment.

In the course of the Fifth Plan, priority will be given to projects related to expanded production. Efforts will be made to emphasise projects with quick-return that yield increased agricultural and livestock production, projects based on supervised credits, and fisheries projects.

To encourage private sector investment, medium-term and long-term supervised loans will be extended, and the feasibility of the project will carry more weight than matters of collateral.

Adequate funds will be allocated for short-term loans, loans to cover operating costs and outright grants. Measures will be adopted to coordinate agricultural credit policies and avoid "dispersal" in credit matters.

Efforts will also be made gradually to consolidate interest-bearing loans contracted by farmers and to liquidate loans carrying onerous terms. At the same time measures will be adopted to prevent farmers from contracting onerous term loans again.

Agro-industrial units, both public and private, will be established on 300,000 hectares of land and will receive Government support. Efforts will be made throughout the Fifth Plan in all areas irrigated by Government-financed irrigation networks, dams and deep-well systems to con-

solidate the scattered holdings of individual owners and farmers. The consolidated holdings will be economic and designed with regard to the pattern of irrigation networks and service roads and the master plan that will be drawn up for each region. The aim will be to ensure optimum utilisation of agricultural land whether farmed individually, communally, or through cooperatives, agricultural corporations, agro-industries, dairy and meat complexes.

Investment policy

Government investment in the agricultural sector will be directed primarily at providing the necessary infrastructure (levelling, irrigation networks and canals) and also the necessary services (extension, agricultural engineering, soil analysis, pest control and veterinary care). The Government will provide experts and agricultural agents, and attach special importance to strengthening cooperative systems and facilities for expansion of marketing networks for agricultural and livestock products.

Government investment in commercial agriculture will be concentrated on public sector and mixed private and public agro-industries, meat and dairy complexes and model farms. Government shares in these units will be eventually transferred to the farmers themselves, organised into agricultural corporations or cooperatives, or to the private sector.

Marketing Policy

Efforts will be made to reduce the role of middlemen, and raise the producer's share of the prices paid by the consumer, through adequate loans to prevent forward sales and technical and financial assistance for facilities such as grading, packing, storage, transport and processing industries, and organised wholesale markets. These services will, where possible, be run by cooperatives.

Minimum prices will be set for major agricultural products to protect producers against severe price fluctuations. Minimum prices which will come into force gradually, will be set in accordance with local production costs, world market prices, other prevailing prices and the need to maintain the competitiveness of Iranian agricultural products.

Reserves

The aim will be to increase storage capacity for grains so as to have sufficient reserves for a four month period at any time. Silo storage capacity will be increased from 392,000 tons at the beginning of the Fifth Plan to 900,000 tons at the end of the Plan. The goal will be eventually to create a silo capacity of 2 million tons and to be prepared to start construction of these additional silos by the beginning of the Sixth Plan.

Steps will also be taken to create 700,000 tons of warehousing capacity throughout the country for temporary grain, feedstocks and sugar storage, and transit loading and unloading storage facilities for agricultural products at the ports.

In addition, cold storage capacity for 60,000 tons of meat and 2,000 tons of eggs, as well as livestock waiting stations and well-equipped markets will be created and facilities for marketing 100,000 tons of fruit and vegetables will be established. Warehousing and storage development programmes will be coordinated with transport development.

Measures will be implemented in stages for insurance of major crops and pedigree herds, agricultural and marketing facilities and warehouse stocks. A major aim will be to create a more balanced distribution of income between urban and rural inhabitants and to raise agricultural incomes through lower unit costs, higher production and increased employment, double cropping, stock-breeding, agricultural integration and expansion of handicrafts and related industries.

Research will be carried out on socio-economic problems, marketing, pest control, soil fertility, tree plantation and animal breeding. Wherever possible, research will be carried out through the universities.

Land utilisation

From about 4.1 million hectares of irrigated land at the end of the Fifth Plan about 8 per cent will be cultivated by agro-industrial units, more than 12 per cent by agricultural corporations and producers' cooperatives, 30 per cent by commercial, mechanised units and 50 per cent by independent farmers.

Small farmers will be provided with essential services by strengthening the service organisations and the cooperative system. Membership in the cooperative societies will rise from 1.8 million at the end of the Fourth Plan to about 3 million at the end of the Fifth Plan. The cooperatives will play a more effective role in marketing and distribution.

Some 100 agricultural and marketing cooperatives will be created in the course of the Plan by middle-sized fruit growers, livestock breeders and farmers. Sixty producers' cooperatives will be established, and the number of cooperative unions will rise to 150.

The cooperatives, under Government leadership, will play a more important role in furthering Plan objectives. Training of cooperatives' staff, particularly local managers and book-keepers, will be increased. Technical assistance and extension will be integrated with loans. Industry and marketing facilities in villages will be expanded. Cooperatives unions will be equipped with storage and other necessary facilities.

Agricultural corporations have proved instrumental in improving techniques and furthering the condition of farmers, increasing production and raising per capita income. The major barrier to rapid expansion of the corporations is the lack of adequate number of capable managers and experts.

During the Fifth Plan, a further 100 agricultural corporations will be established and by 1356 the total number of corporations will come to 143 operating on 420,000 hectares. The units will be equipped and strengthened to maximise added value, combine stockbreeding with farming, and to create facilities for grading, packing and marketing of products.

Agro-industries and dairy and meat complexes will be established on a total area of 300,000 hectares during the Fifth Plan. The units will be public, private or mixed in ownership and centralised management, new techniques and capital will be utilised to maximise production, create employment and establish processing industries.

The dairy and meat complexes will help regulate demand and supply of meat by providing livestock breeders with necessary services, improved marketing techniques and direct, limited intervention in the market.

In the major tribal livestock breeding areas such as Fars, Kurdestan, Lorestan and Azarbaijan, the dairy and meat complexes will be created directly by the Government. In other areas, wherever possible, they will be established by the private sector with Government credit and technical assistance. The Government will step in where there is no private sector investment. Where Government or mixed agro-industries and agricultural corporations exist side-by-side and joint industrial and service activities are more economical, efforts will be made to establish facilities in common.

Commercial and mechanised units have played an important role in providing marketable agricultural products. The Government will extend technical, financial and credit assistance to such units as part of the drive to increase agricultural production.

In the field of natural resources, exploitation of forests and pastures will continue on the basis of laws nationalising these resources. New criteria will permit greater and better utilisation of such resources. During the Fifth Plan, exceptions to nationalised natural resources will be established. A total of 600 kms. of access roads and 1000 kms. of operational roads will be built in forest areas. Forest acreage under exploitation will increase to 840,000 hectares and the volume of timber produced will rise from 900,000 cubic metres to 3 million cubic metres at the end of the Fifth Plan.

To maximise utilisation of timber resources, wood industries will be established in heavy forest areas. Aforestation will take place on an area of 50,000 hectares. Rehabilitation of damaged forests on another 50,000 hectare area will continue. If necessary, the services of foreign consultants and contracting firms will be utilised to introduce modern techniques in this sector.

Semi-detailed surveys of all pasture land will be combined during the Fifth Plan. Based on these surveys, pastureland projects for an area

of about 1.5 million hectares will be drawn up for implementation by the public sector or, on long-term lease, by domestic and foreign companies. Very poor pastureland on an area of about 5 million hectares will be closed to grazing until there is plant coverage on at least 30 per cent of the surface area.

In areas of the country where rainfall and other conditions are unsuitable to dry farming, farmers will be encouraged and if necessary given grants to switch over gradually to pastureland.

Natural resources will also be protected against other forms of destruction and pollution. An area of 3.6 million hectares where sand drifts originate will be surveyed and studies will be undertaken on the most effective measures for stabilising such land.

Stabilisation measures against drifting sands, through the creation of plant coverage and utilisation of petroleum products, will be carried out on an area of about 1.5 million hectares, so that gradually a green belt will be established on the edges of the Kavir and shifting sands brought under control.

Surveys will be carried out on 15 million hectares of watershed areas and protective measures will be taken on 1.5 million hectares on a priority basis, on lands prone to soil erosion.

Caspian Sea fish reserves will be strengthened by establishment of six hatcheries and other facilities and the productive capacity and resources of the southern waters will be precisely determined and expanded.

In the field of agricultural and horticultural produce, value added will increase at an average annual rate of 5.95 per cent. The production of cereals will increase from 5.6 to 8.6 million tons, of industrial crops from 5.1 to 8.5 million tons, fruits from 1.8 to 2.4 million tons, vegetables and soft fruit from 3.2 to 4 million tons and fodder crops from 1.1 to 3.16 million tons.

Projections of domestic demand indicate that the major agricultural export items will be cotton and dried fruits and nuts; major agricultural import items during the Fifth Plan will be cereals, particularly barley, oilseeds, and vegetable oil.

Targets for agricultural and horticultural produce will be achieved through the following measures:

- More scientific and economic agriculture and creation of units on an economic scale.
- Expansion of double-cropping to cover 150,000 hectares.
- Expansion of irrigated land to about 460,000 hectares.
- Rise in per unit productivity through distribution of improved seed and sampling.

- Increase in chemical fertiliser consumption from 361,000 tons in 1351 to 1 million tons in 1356.
- General control on an area of about 5 million hectares and measures to encourage establishment of private firms for specialised pest control.
- Expansion of agricultural training and spread of new techniques through centres of rural development zones.
- More efficient water use through levelling and establishment of economic farm units by provision of grants for construction of irrigation networks.
- Implementation of the policies described above on loans, marketing and minimum agricultural prices.
- Expansion of mechanisation in agriculture and livestock breeding so that by the end of the Fifth Plan, the number of tractors and agricultural machines sold totals 68,000 units, trailers 10,000 units, combines 4,000 units and rice trailers 15,000 units.

In the field of livestock breeding, value added will increase at an average annual rate of 8.33 per cent for livestock produce. The production of red meat will rise from 305,000 tons to 519,000 tons, milk from 1.9 million tons to 2.8 million tons, poultry meat from 50,000 tons to 200,000 tons. Special attention will be paid to production of white meat (poultry and fish) since red meat production will be insufficient to meet demand.

The increase in livestock produce will be achieved through a rise in fodder production from 11 billion to 16 billion units by expanded fodder, oilseed and barley cultivation and greater utilisation of agricultural by-products, by-products of processing industries and improvement of pastureland.

Given the rising consumption of fish powder as a livestock and poultry feed, and of quality fish for human consumption, a master plan involving higher investments in increasing production in these fields will be implemented.

Livestock breeding techniques will be improved; feedlot stations will be established; and efforts will be made to limit the number of free-grazing animals to a level in keeping with pastureland capacity.

Improved breeding will aim at increasing the birth rate from the present level of about 35 per cent to 40 per cent.

Preventive measures will be taken against livestock diseases, particularly diseases common to both human and livestock, through subsidies for medicines. The aim will be to reduce the wastage rate from 20 per cent in the Fourth Plan to 15 per cent during the Fifth Plan.

Razi Institute vaccine production will increase from the present 170 million doses and 20 million units by 20 per cent annually, with cooperation of the Health Ministry and special emphasis on diseases common to man and beast.

Private, public sector and mixed meat and dairy complexes will be created to expand the country's modern livestock breeding network and the number of pedigree cattle. By the end of the Fifth Plan, the number

of pedigree dairy cattle in the country will total 200,000 and cross-bred cattle will total 100,000. Gradual replacement of indigenous with pedigree cattle will be encouraged.

High-yield sheep will be imported by the Government and the private sector, and cross-breeding will be encouraged to create modern meat and dairy sheep-breeding businesses.

Rapid expansion of modern poultry farms adjacent to towns in rural areas by cooperatives, agricultural corporations and other investors will be encouraged. The Government will establish model poultry breeding complexes. Technical, financial and credit assistance will be extended to the private sector for creation of poultry farms (particularly in suitable areas which lack such units).

Fishing and distribution will be expanded in northern, southern and inland waters, particularly in southern and southeastern regions. To increase the annual catch, fishermen's cooperatives will be created and facilities and hatcheries will be established. Agricultural cooperatives will be encouraged to establish hatcheries and meet part of the animal protein needs of the rural population from this source.

To improve marketing of meat and promote buying and selling of meat on the basis of the weight, age and type of the live animal and a guaranteed price, markets will be established, and fodder will be produced in Government factories and distributed.

To improve services, a fundamental transformation of Government service and credit agencies will be undertaken; scattered organisations will be merged; services will be coordinated and vastly expanded. Development of rural development zone centres will be coordinated with agricultural development programmes.

To provide technical guidance to cooperatives and their members, steps will be taken for employment and training of cooperative technical extension agents. Measures will be adopted to establish Government, private or mixed service companies; loans and grants will be extended to provide for infrastructure services and facilities, such as surface water regulation, irrigation networks, levelling of land and covering of open water canals.

Investment

Total fixed investment in agriculture and livestock breeding during the Fifth Plan has been projected at 309.3 billion rials ($4.6 billion). Of this, public sector investment will account for 176.9 billion rials while the private sector is expected to invest a further 132.4 billion rials.

Of the total, 24.1 billion rials will be invested in preservation and exploitation of natural resources, 44.7 billion rials in agro-industrial units and agriculture and livestock breeding units; 29.9 billion rials in increasing agricultural production; 41.9 billion rials in livestock breeding; 36.4 billion rials in agricultural services; 22.4 billion rials in development of marketing; 70 billion in credits to the private sector; 31.1 billion rials on expansion of agricultural corporations and cooperatives; 8.1 billion rials on research and a small sum (100 million rials) on work related to the land reform programme.

TOTAL CREDITS FOR AGRICULTURE AND NATURAL RESOURCES / 5TH PLAN

(in billion rials)

	Current credits	Development credits			Grand total
		fixed	non-fixed	total	
Protection and use of natural resources	8.49	18.34	5.39	23.73	32.22
Agro-industry	6.70	26.12	5.30	31.42	38.12
Agricultural production	5.90	20.50	6.10	26.60	32.50
Livestock production	7.25	28.57	7.25	35.82	43.07
Agricultural and livestock services	11.90	25.22	10.10	35.32	47.22
Marketing	6.46	15.00	6.37	21.37	27.83
Credits	0.25	70.00	0.28	70.28	70.53
Expansion of farm cooperatives and corporations	13.00	25.00	10.60	35.60	48.60
Land reform	3.00	0.10	2.30	2.40	5.40
Research and evaluation	4.45	8.00	3.00	11.00	15.45
Administration	5.30		3.20	3.20	8.50
Total	72.70	236.85	59.89	296.74	369.44

FIXED INVESTMENT IN AGRICULTURE AND NATURAL RESOURCES / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Protection and use of natural resources	21.84	2.80	24.64
Agro-industry	30.32	14.40	44.72
Agricultural production	20.70	9.20	29.90
Livestock production	30.37	11.50	41.87
Agricultural and livestock services	25.42	11.00	36.42
Marketing	15.00	7.40	22.40
Credits	–	70.00	70.00
Expansion of farm cooperatives and corporations	25.00	6.10	31.10
Land reform	0.10	–	0.10
Research and evaluation	8.10	–	8.10
Administration	–	–	–
Total	176.85	132.40	309.35

Water Resources

Goals

Iran, for the large part, is located in an arid and semi-arid geographical region. Of total annual rainfall, 52 per cent occurs in the Caspian and western regions which account for 25 per cent of the land area; 30 per cent of rainfall occurs in the central region which accounts for 50 per cent of the land area; and the remaining 20 per cent occurs in the South and East, which accounts for 25 per cent of the total land area.

Distribution of rainfall over the year is such that most of the precipitation occurs in the late winter and early spring. It is thus important to reduce dependence on nature for water needs. Effective work has been done in the past years in constructing reservoir dams, although the work of constructing irrigation networks and canals has progressed less rapidly. Optimum use has thus not been made of available, regular water supply.

General aims in this sector will be to increase the acreage of irrigated land from 3.5 million hectares at the end of the Fourth Plan to 4 million hectares at the end of the Fifth Plan; to extend piped water supply to cover 17 million urban inhabitants; provide adequate water supply to industry; to increase installed hydroelectrical power generating capacity from 840 megawatts at the end of the Fourth Plan to 1,824 megawatts at the end of the Fifth Plan; and to lay the foundations for securing long-term water needs in the course of subsequent development plans.

Two broad aims will be to provide more water and to utilise and conserve existing resources more efficiently.

Priority will be given to exploitation of water resources where dams have already been constructed. New irrigation dams will be constructed only where essential for regional development programmes and to assist social advancement in less-developed regions.

Measures will be taken to prevent wastage of water that runs into seas, marshes and deserts; to improve utilisation of surface and groundwater resources; to prevent surface water from becoming brackish because of passage through salty ground; to apply the most modern technology to utilise cloud seeding, and also sea water, brackish water, urban sewage and waters unsuitable in their natural state for agriculture, indus-

trial and urban purposes; and to divert water from areas which have a surplus supply to arid regions suitable for development.

The price of each cubic metre of water for different regions of the country will be determined on the basis of investment in each water development project, maintenance, exploitation, operating, and depreciation costs (including interest on capital), and also in relation to economic and social factors. A coordinated pricing policy will be drawn up and gradually put into effect.

In areas where technical and economic studies on exploitation of groundwater have been undertaken, and where possibilities of expanded exploitation exist, users will be encouraged to invest on an industrial basis or through formation of cooperatives and joint stock companies. But water exploitation will in any case take place under Government supervision and control, in keeping with the water law and water nationalisation regulations.

Public sector investment in ground water resource exploitation will be made in exceptional cases where there are technical complications and groundwater exploitation requires heavy investment at levels lying outside the scope of the private sector; and in cases where integrated exploitation of groundwater and surface water resources through a single, modern unit is feasible.

In other areas, where initial studies confirm the possibility of exploitation of groundwater resources, and the law requires detailed studies, Government loans and advisory and technical services will be extended to the private sector to facilitate investment, in keeping with the water nationalisation law.

Irrigation Networks

Irrigation and drainage networks, in areas where dams and reservoirs have been constructed, will be completed at the earliest possible time. Construction of secondary irrigation and drainage networks (Grades 3 and 4) will be financed by public sector credits and placed at the disposal of users under special conditions.

Modern irrigation networks will be established in areas where traditional networks do not meet technical standards and lead to water wastage.

Drainage networks will be constructed in areas to prevent surface waters from becoming salty and also to prevent the evaporation of shallow groundwater. Government technical and financial assistance and self-help programmes for rural residents will be combined to revive and improve traditional irrigation and drainage networks.

The social and economic conditions prevailing in land lying downstream from each irrigation and drainage network will be studied; and farmers in each area will be encouraged to form users associations.

Urban Water Supply

Regional water boards will be responsible for town and village water supplies. The boards' duties shall be to create necessary facilities in keeping with the water master plan of each region, to provide water for agriculture, industry and urban use and to ensure sensible water utilisation programmes.

For construction and operation of water supply networks, and creation of urban sewage systems, companies under the management of the regional water boards of the Ministry of Water and Power now the Ministry of Energy will be formed. The ministry will train the necessary cadre for water supply to villages.

Initial investment in water and distribution systems and urban sewage systems will be financed by grants from development funds in accordance with specific criteria, on condition that all the revenue from the sale of water is used exclusively for exploitation, maintenance and expansion of the water supply facilities.

In cities such as Tehran where a shortage of water exists, price policy will be designed to encourage economy in water use. In areas where the cost of water is high but where for social reasons recovery of the full cost from the user is not feasible, rates will be adjusted and Government assistance given. In any case, water rates will be set to cover maintenance and operating costs.

Hydroelectric Power Generation

In regions where there is a shortage of water resources, such as Fars, water will be regulated insofar as is possible for urban, agricultural and industrial use; establishment of hydroelectric power plants, which entail release of water for power generation purposes, will be avoided.

In areas like Khuzestan, where water supply exceeds local needs, hydroelectric power generation will receive special attention.

In view of the investment made in hydroelectric power generation, and the fact that irrigation and drainage systems related to reservoir dams are gradually being completed, where water use for agricultural purposes has not reached optimum level, additional water will be utilised for additional hydroelectric power generation.

Flood Control

Given the country's limited water resources, priority will be given to construction of dams for urban, agricultural and industrial water needs. But flood control will be given consideration in construction of dams.

Supervision

In order to control the quality of water and conserve water resources, the manner of implementation of the law on the nationalisation of water resources in different parts of the country will be determined and gradually put into effect.

Priority in this regard will be given to areas of low population, where the level of water pollution is high and water resources are inadequate to meet urban, industrial and agricultural requirements; and areas where adequate facilities for sensible exploitation of water resources have been installed.

Research

During the Fifth Plan, necessary standards and criteria for data collection, research studies and installation of water facilities and exploita-

tion of water resources will be drawn up and implemented. In research on expansion of water resources, priority will be given to equipping and using the hydraulics laboratory of the Ministry of Water and Power (now the Ministry of Energy) and also the facilities of the nation's universities.

In studies directed at identifying the quantity and quality of water resources and facilitating access to new sources of water, special emphasis will be given to groundwater resources and a national water programme. Research will also be carried out on new irrigation techniques, including cloud-seeding and rainwater utilisation.

Programmes

To achieve these aims, projects and programmes will be implemented in six broad areas: water supply, irrigation networks construction, urban water supply, hydroelectric power generation, supervision and research.

Water Supply

Several programmes will be implemented to ensure water supply for industrial, agricultural and urban needs, for hydroelectric power generation, flood control and prevention of flood damage.

Reservoir dams begun during the Fourth Plan will be completed. As a result, some 9,490 million cubic metres of water will be regulated each year.

Construction of new reservoir dams, for which studies were completed during the Fourth Plan, will be started. Some will be completed during the Fifth Plan and others in subsequent plans. Water regulated by these dams during the Fifth Plan will amount to 1,443 million cubic metres annually; and water regulated by dams completed in subsequent plans will amount to about 21,490 million cubic metres.

Construction of diversion dams in suitable areas, and direct utilisation of river waters, to the amount of 1,130 million cubic metres a year will be undertaken.

Projects begun in the Fourth Plan for diversion of 430 million cubic metres of water from water-rich areas to arid regions will be completed. Work will begin on the diversion of another 195 million cubic metres during the Fifth Plan; and operations relating to 95 million cubic metres of this amount will be completed during the Fifth Plan period.

Facilities will be establish in areas requiring public sector investment for exploitation of 1,981 million cubic metres of groundwater. The private sector will create additional facilities for exploitation of a further 315 million cubic metres of water annually. These activities will be expanded in keeping with the capacities of the private and public sectors.

To improve efficiency of facilities for the utilisation of surface and groundwater, water will be utilised for irrigation through integrated systems where technically feasible.

Desalination plant capacity will increase from 3 million cubic metres to 23 million cubic metres annually by the end of the Fifth Plan.

Irrigation and Drainage Networks: Projects will be undertaken for

irrigation of lands lying downstream from dams or relying on groundwater resources.

Primary irrigation and drainage networks (Grades 1 and 2) begun during the Fourth Plan and serving 387,000 hectares will be completed.

New primary irrigation and drainage networks, serving an area of 913,000 hectares, will be begun and projects relating to 623,000 hectares of this will be completed during the Fifth Plan.

Construction of subsidiary irrigation and drainage networks (Grades 3 and 4), begun during the Fourth Plan and serving an area of about 140,000 hectares, will be completed.

Construction of new subsidiary irrigation and drainage networks, serving an area of 1,088,000 hectares, will begin and projects relating to 547,000 hectares of this total will be completed during the Fifth Plan.

Repair and improvement of traditional irrigation networks serving an area of 165,000 hectares will be undertaken and completed during the Fifth Plan.

The capacity of facilities relating to urban water supply, including reservoirs, water treatment plants, water mains and pumping stations will increase to 650 million cubic metres a year by the end of the Plan.

Hydroelectric Power Generation: Projects begun under the Fourth Plan will be completed, adding 1 million kilowatts to installed generating capacity.

Projects relating to new generating capacity of 1,265,000 kilowatts will begin during the Fifth Plan, and generating capacity of 20,000 kilowatts of this total will be completed by the end of the Fifth Plan period.

Supervision: Regulations governing the nationalisation of water resources, introduced during the Fourth Plan, will be applied to 15 per cent of the water in use by the end of the Fifth Plan.

The necessary facilities, relating to prevention of water pollution, will be created in areas where it is severe and resources for industrial, agricultural and urban needs are inadequate.

Facilities will be created to permit forecasting and prevention of floods in densely populated areas.

Research: Collection of data on climatological conditions, as a basis for expanded exploitation of water resources, and on groundwater resources (including capacity, potential supply, and continuous control of the quantity and quality of aquifers) will continue.

The long-term water needs of each town will be studied; and the best and most economical sources of water supply in each area will be determined; and a long-term water supply and distribution programme will be drawn up.

Given the country's limited water resources, the best modern techniques for expanding exploitation of water resources, increasing water supply and improving its quality must be determined and applied.

Training will be expanded so that the country's dependence on foreign experts will gradually be overcome.

Investment

Total fixed investment in water resources development during the Fifth Plan has been projected at 166.2 billion rials ($2.5 billion). Public sector investments will account for 162.2 billion rials of this total and private sector investment for the remaining 4 billion rials.

The allocation of fixed investments will be 56.1 billion rials for water supply; 72.1 billion rials for irrigation networks; 22.3 billion rials for urban water supply; 4.5 billion rials for hydroelectric power generation and 11.2 billion rials for research.

TOTAL CREDITS FOR WATER RESOURCES/5TH PLAN
(billion rials)

	Current credits	Development credits			Total
		fixed	non-fixed	total	
Water supply	1.50	54.72	–	54.72	56.22
Irrigation networks	0.20	66.50	–	66.50	66.70
Urban water supply	–	22.32	–	22.32	22.32
Hydro-electric power generation	–	4.50	–	4.50	4.50
Research	0.90	11.20	–	11.20	12.10
Supervision	0.90	–	2.00	2.00	2.90
Total	3.50	159.24	2.00	161.24	164.74

FIXED INVESTMENT IN WATER RESOURCES/5TH PLAN
(billion rials)

	Public sector	Private sector	Total
Water supply	52.72	3.40	56.12
Irrigation networks	71.50	0.60	72.10
Urban water supply	22.32	–	22.32
Hydro-electric power generation	4.50	–	4.50
Research	11.20	–	11.20
Total	162.24	4.00	166.24

Industry

Goals

The target of investment in the industrial sector will increase the value of industrial production from 509 billion rials in 1351 to 1,130 billion rials in 1356, or an average annual growth rate of 17 per cent. Added value in the industrial sector will rise at an average annual rate of 20 per cent and increase from 164 billion rials in 1351 to 408 billion rials in 1356.

During the Fifth Plan, special importance will be attached to development of the hydrocarbons (chemicals and petrochemicals) and steel industries. The Government will also encourage the development of agriculturally-based industries (to increase food production and raise rural incomes) and consumer and durable goods industries (to meet local needs and reach the export market). It will pay special attention to industries geared to meeting educational requirements and the needs of the free school meal programme.

The Government will encourage satellite and related small, subsidiary industries which will feed and in turn be fed by one another. It will gradually transfer to the private sector those state-owned industries initially established to encourage private sector investment. It will also encourage the gradual shift of basic industries to coastal areas, within easy access of import and export markets, water, and oil and non-oil sources of energy, including nuclear energy.

The Government will seek to build up stocks of essential industrial raw materials, as a hedge against imported inflation and shortages. Investment in industrial and mining enterprises abroad will be designed to secure access to primary and intermediate materials required by domestic industry and to provide export markets for Iranian industrial manufacturers.

Tariff Policy

Tariff policy will be subjected to continuous review throughout the Fifth Plan. Tariff protection for consumer goods will be gradually lifted to encourage healthy competition and improvement in quality. Reasonable

protection will be provided to intermediate and capital goods to encourage domestic manufacture. After a reasonable period of time, such protection will be gradually lifted.

Credit Policy

The Government will make available through the specialised banks a sum of 179.6 billion rials ($2.7 billion) during the Fifth Plan for investment credits to the private sector in industry, agriculture and other productive investment. The mining sector will be able to draw on these credits.

In other areas, regional banks will be created and specialised banks encouraged to extend their services to various areas of the country to help private and public sector industries meet their needs for operating capital. Along with commercial banks, specialised banks will be assisted in investing in small industry and lending to small industrialists without the usual requirements for collateral security, particularly in less-developed areas.

The Government will create a Public Investment Organisation to attract savings and protect the small investor. Commercial and specialised banking policy will be re-examined with a view to providing financial assistance to private industry on the basis of viable projects. This policy will be observed particularly in the case of assistance paid out of development funds.

Other Policies

The Government in the course of the Fifth Plan will seek to strengthen university training in management, engineering and scientific courses; expand vocational and managerial training; provide scholarships for short-term in-service training abroad; help strengthen accounting systems employed by small industries; and encourage university research in industry.

It will seek to expand standards control in order to improve quality, protect the consumer and prevent the export of sub-standard goods.

Administrative measures will be designed to facilitate procedures for granting licences to small and medium-scale industry. This will be done by delegating greater authority to provincial Government agencies; ensuring adequate supply to industry of water, electricity and telephone services; guarding against unreasonable price increases for intermediate goods; requiring Government and public organisations to obtain their requirements from domestic sources where possible and reviewing the commercial code with a view to broadening the base of industrial ownership; and paying more attention to the environmental impact of industrial activity in choice of location and technical design.

Programmes

The projected growth rates and specific programmes in each of the various industrial sectors are as follows:

In the food, beverages and tobacco industries the average annual increase in added value is projected at 11 per cent. The full capacity of all

sugar plants will be utilised and sugar production will be increased from 670,000 tons to about 1 million tons.

The production of pasteurised dairy products will increase from 235,000 tons to 500,000 tons annually by the last year of the Plan.

Utilising factory wastes such as molasses from the processing of sugar cane, cotton, grain and sugar beet, the production of animal feeds will increase from 355,000 tons to 900,000 tons a year in the last year of the Plan.

The major part of the country's cold storage network will be completed and cold storage capacity will increase from 49,000 to 100,000 tons.

To meet shortages of animal protein and increase protein consumption, studies will be conducted in the coastal waters of the Persian Gulf and the Sea of Oman; infrastructure fishing facilities will be established in various coastal areas; fishermen's cooperatives will be strengthened and provided with loans and services; and a fishing fleet will be created. The fish and shrimp catch will be increased, and as a result, the production of canned fish of various kinds will increase from 2.7 million tons to 8 million tons a year by the ed of the Fifth Plan.

Production of fish powder for animal feed will increase from 130 tons a year to 2,000 tons in the last year of the Plan. For this purpose, the Fisheries Company fish powder plant in the South will be renovated and expanded.

In the clothing, textile and rural handicrafts industries, value added will increase at an average annual rate of 11 per cent. The aim is self-sufficiency for domestic requirements and also exports. Ready-made clothing manufacture will receive special emphasis.

The capacity of all textile plants will be fully utilised so that production of cotton textile increases from an annual 450 million metres to 850 million metres at the end of the Plan. Establishment of a 50,000 spindle factory in Baluchestan which will create employment for 1,400 workers is among the projects envisaged in this sector.

Woollen textile manufacture will rise from an annual 13 million metres to 26 million metres in the last year of the Plan, meeting the needs of the domestic market.

The aim in knitwear manufacture is to improve quality to meet domestic demand and to strengthen competitiveness in export markets. Production of knitwear will increase from 32,000 tons a year to about 60,000 tons in the last year of the Plan.

The traditional silk weaving industry will be revived; raw material will be produced domestically and domestic requirements will be met. Production will rise from 190 tons a year to about 400 tons in the last year of the Plan.

The handicraft industries, up to now promoted chiefly in towns and in companies, will also be promoted in villages with a tradition of handicrafts through improved techniques and facilities, guaranteed direct purchase and marketing at home and abroad.

In carpet weaving, the Iran Carpet Company will be responsible for supervision of the industry, encouraging the utilisation of traditional Iranian designs and developing marketing and guidance services.

In the cellulose industry, the average annual growth rate has been projected at 25 per cent. Efforts will be made to make full use of the country's 1.4 million hectares of commercial, exploitable forests. A Government financed timber and pulp factory, to be established in Gilan, will produce 59,000 tons of planks and lumber and 150,000 tons of cardboard paper annually. A timber and pulp complex will be established in Mazandaran with an annual capacity of 220,000 tons of paper. Production of paper and paper products will increase in the course of the Plan from 134,000 tons to 400,000 tons a year. The latter figure will be equivalent to 60 per cent of domestic requirements.

In the hide and leather industry, value added will increase at an average annual rate of 32 per cent. Hide and leather factories, with a capacity for processing 2.5 million hides a year, will be established in various parts of the country with private sector participation. Existing plants will be expanded and studies on improving raw materials will be undertaken. The private sector investors in the leather and hides industry will have access to Government financial assistance through the specialised banks.

In chemical and petrochemical industries, value added will increase at an average annual rate of 27 per cent. Primary and intermediate raw materials, such as that for the synthetic fibre industry, to replace imports and for export purposes, will be expanded. About 250,000 tons of raw material for the synthetic fibres industry will be produced annually.

Manufacture of finished products, such as fertiliser, paints, synthetic fibres, plastics and tyres for domestic consumption and export will be expanded. Private sector investment in these fields will be encouraged. Fertiliser production will be increased from 350,000 million tons a year to 1.7 million tons in the last year of the Fifth Plan. Production of plastics and raw materials for the tyre industry will reach a level of 591,000 tons a year in 1356.

Given relative price advantage in the petrochemical field, efforts will be made to produce on a large-scale for export purposes. Among the projects in this programme are the production of 1.9 million tons of aromatics and alcohols, 2 million tons of petrochemical raw materials, 270,000 tons of minerological chemicals, and 100,000 tons of animal feed from mono-cellular proteins.

In the non-metallic mining industry, value added will increase at an average annual rate of 32 per cent. The aim will be to meet the construction materials needs of programmes in housing, road, airport, port and dam construction, canals and industrial buildings.

The capacity of Government-owned cement plants at Rey and Lushan will be increased to 2,300 and 2,600 tons a day. The Arya cement plant, with a daily capacity of 10,000 tons will come into operation. These measures, and Government loans and credits to the private sector through the specialised banks (from public sector credits set aside for private sector use), for expansion of existing plants and establishment of new plants, is expected to raise cement production capacity from 3.6 million tons a year to about 20 million tons annually by the end of the Fifth Plan.

Annual glass production capacity will increase from 45,000 tons to 145,000 tons, thus meeting more than 90 per cent of domestic requirements.

Annual tile production capacity will increase from 135 million tiles to 610 million tiles in the last year of the Plan. The aim will be to meet all domestic requirements and to export the surplus.

In the base metals and metal products industry, value added will increase at an average annual rate of 32 per cent. Production capacity for various kinds of construction steel at the Aryamehr Steel Mill will be increased to 1.9 million tons. Production capacity of 10 million tons in mills based on the direct reduction method will be installed.

During the Fifth Plan, consumption requirements for construction steels such as beams, pipes, wire and cables, and structural steel items will be met from domestic production. By the end of the Fifth Plan, part of the domestic requirements for sheet steel, which accounts for about 45 per cent of the country's consumption of iron and steel, will be produced.

With the exploitation of the vast copper reserves at Sar-Cheshmeh near Kerman and the establishment of a concentration and smelting plant, blister copper production will reach an annual level of 145,000 tons in the last year of the Plan. The largest part of this production will be exported in the form of copper products.

In mechanical industries (non-electrical machinery) value added will increase at an average annual rate of 38 per cent. Production of capital and intermediate metal goods, such as machine goods, pressure vessels, industrial boilers and steel structures and other goods required by industry will be expanded and the necessary manpower will be trained. The capacity of the Tabriz Machine Tools factory will be increased from 8,000 to 30,000 tons a year and of the Arak Machine Tools plant from 30,000 to 75,000 tons a year.

In electronic industries (electronic and electrical equipment), value added will increase at an average annual rate of 19 per cent. Demand for television sets will rise at an annual rate of 33 per cent, given the expansion of the television network and the programme for educationl television. Production capacity of television sets will increase from 170,000 to 720,000 sets a year.

Production capacity for desk telephones will increase from 100,000 to 240,000 units a year; refrigerator production capacity will increase from 184,000 to 250,000 units.

The Government will implement a number of projects that will lay the foundation for the production of transistors and related parts, in keeping with domestic requirements.

In the automotive industry, value added will increase at an annual average rate of 20 per cent. The aim during the Fifth Plan will be to raise the ration of domestically manufactured automotive components to 75 per cent by establishing plants for production of automotive engines and thus reducing import of such items.

A railway wagon manufacturing plant with an annual capacity of 1,000 wagons will be established.

A ship repair yard for oil tankers of up to 500,000 tons will be constructed in the South and the construction of small ships of 6,000 tons will become feasible. Efforts will be made to attract tankers that ply the Persian Gulf and the Sea of Oman to Iranian dry docks for repairs and to lay the foundation for construction of larger ships.

The small industries field is considered of primary importance as support for large industries and as the link between large and small-scale industry. In the course of the Fifth Plan, a survey of small industries will be undertaken to determine potential for linkages with other economic sectors.

Technical, training, consulting and advisory services will be extend ed to these industries, priority being determined on the potential for close linkages with other industries.

Loans and credit facilities will be extended to about 10,000 small industrial units on easy terms. The nature of the collateral required will be reviewed with regard to suitability for linkage with other industries.

Independent branches and offices, or desks in existing specialised and commercial banks, will be established for loans and assistance to small industry.

Government departments will be required to purchase the products of small industries. Infrastructure, such as roads, water, telephones, electricity and training workshops will be provided to encourage establishment of small industries in suitable areas.

Investment

Total fixed investment in the industries sector in the course of the Fifth Plan has been projected at 780.1 billion rials ($11.6 billion). Public sector investment will account for 277.1 billion rials of this total and private sector investment for 503 billion rials.

Of the total, 63.9 billion rials will be allocated to food industries, 53.7 billion rials to textile, clothing, rural handicraft and leather industries, 67.8 billion rials to the cellulose and printing industries, 163.1 billion rials to the chemicals and petrochemicals industries, 82.5 billion rials to non-metal mining industres; 232.6 bllion rials to metal and steel industries, 36.5 billion rials to mechanical industries, 35.6 billion rials to the automotive and transportation industries; 3 billion rials to miscellaneous industries; and 4.3 billion rials to technical assistance.

TOTAL CREDITS FOR INDUSTRY / 5TH PLAN

(in billion rials)

	Current credits	Development credits			Grand total
		fixed	non-fixed	total	
Food industry	1.53	8.94	–	8.94	10.47
Textiles, cottage and leather	1.68	5.18	0.38	5.56	7.24
Cellulose and printing	–	17.49	–	17.49	17.49
Chemicals and petrochemicals	–	75.14	1.30	76.44	76.44
Mining (non-metal)	–	5.78	0.10	5.88	5.88
Metal and steel	2.50	82.57	–	82.57	85.07
Mechanical	–	27.04	1.48	28.52	28.52
Electric and electronics	–	13.55	–	13.55	13.55
Transport	–	12.13	0.45	12.58	12.58
Industrial credits	–	100.00	–	100.00	100.00
Technical aid	–	4.32	0.16	4.48	4.48
Supervision	3.30	–	0.49	0.49	3.79
Research and evaluation	0.94	–	0.47	0.47	1.41
Administration	1.05	–	0.12	0.12	1.17
Total	11.00	352.14	4.95	357.09	368.09

FIXED INVESTMENT IN INDUSTRY, 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Food industry	23.94	40.00	63.94
Textiles, cottage and leather	5.68	48.00	53.68
Cellulose and printing	17.79	50.00	67.79
Chemicals and petro-chemicals	79.14	84.00	163.14
Mining (non-metal)	7.48	75.00	82.48
Metals and steel	82.57	150.00	232.57
Mechanical	30.54	6.00	36.54
Electric and electronics	13.55	22.00	35.55
Transport	12.13	25.00	37.13
Miscellaneous	–	3.00	3.00
Technical aid	4.32	–	4.32
Total	277.14	503.00	780.14

Mining

Goals

The general aim in the mining sector will be to meet industry's needs for raw material, build up reserves where possible and integrate mining activity more closely with the industrial sector.

To this end, the Government will strengthen the Geological Organisation and regionalise its operations; expand training of personnel; utilise foreign companies and expertise; and review the structure of the mining industry.

To encourage the private sector, the Government will review laws and regulations affecting the mining industry; invest in infrastructure facilities such as access roads, water, electricity supply, research and exploratory drilling; and also invest in smelting and secondary recovery operations through the use of mobile flotation units whose purchase is uneconomic for the private sector for low-yield mines.

The Government will also provide financial assistance to the private sector through the establishment of a Mining Fund, creation of mining departments in specialised banks, and assistance for viable projects without requiring the usual collateral.

More specificially, programmes will aim at a 31 per cent annual growth rate in value added in the mining sector; provision of the raw materials required by the Aryamehr steel mill, other steel mills and the Sar-Cheshmeh copper mill from domestic sources; and establishment of zinc and lead smelting and concentrating plants, production of ferrochromes, and the provision of raw material for these plants from domestic sources if feasibility studies prove positive.

Programmes

The projects slated for the mining sector during the Fifth Plan include geological and minerological surveys, exploitation and processing.

Geological and cartographic surveys will be carried out over an area of 700,000 sq. kms. so far unsurveyed. Maps will be prepared on a

scale of one to 250,000, 100,000 and 50,000.

Basic minerological surveys will be carried out on at least 25 per cent of the country's surface (400,000 sq. kms.) on a priority basis and in two stages. Primary surveys will be undertaken in the first phase and more detailed surveys, in areas where there are indications of substantial deposits, in the second phase. Priority will be given to prospecting for minerals required by domestic industry such as phosphate, bauxite, potassium, uranium and zinc.

Proven mines of copper, iron, coal, lead, zinc (ruy), chromite ore etc. will be exploited. Raw materials will be processed into a form useable by the consumer. The most important of these mines are:

- Copper mines at Sar-Cheshmeh, Miduk, Chahar Gonbad, Abbasabad, Aliabad, Darreh Zarashk.
- Iron mines at Chaghart, Chadar Malun, Tangeh Zagh, Gol-Gowhar.
- Coal mines at Kerman, the Alborz mountains, Shahrud.
- Refractory clay deposits and other steel mill materials.
- Chromite mines.
- Gold mines at Muteh.

Investment

Total fixed investment in the mining sector during the Fifth Plan will come to 66.3 billion rials, well over three times the amount invested during the Fourth Plan. Of the total, 61.8 billion (about 94 per cent) will come from the public sector and the remaining amount from the private sector.

The largest share, 60.3 billion rials, will go to extraction and exploitation. Another 5 billion rials will be devoted to surveys and prospecting and 1 billion rials to technical assistance to the private sector.

TOTAL CREDITS FOR MINING / 5TH PLAN

(in billion rials)

	Current credits	Development credits			Tota
		fixed	non-fixed	total	
Geology and exploration	1.50	5.00	1.00	6.00	7.5(
Exploitation	–	55.50	–	55.50	55.5(
Technical aid for private exploitation	0.27	1.00	0.23	1.23	1.5(
Credits	–	0.50	–	0.50	0.5(
Supervision	0.23	–	0.13	0.13	0.3(
Total	2.00	62.00	1.36	63.36	65.3(

FIXED INVESTMENT IN MINING / 5TH PLAN

(in billion rials)

	Public sector	Private sector	Total
Geology and exploration	5.00	–	5.00
Exploitation	55.80	4.50	60.30
Technical aid	1.00	–	1.00
Total	61.80	4.50	66.30

Oil

Goals

Policy in the oil industry will be designed to meet domestic requirements for oil products; achieve a better balance between production and consumption of various products and substitution of natural gas for middle distillates; facilitate participation in downstream operations (refining, marketing and distribution) abroad; conserve existing resources; expand exploration with a view to building up reserves; and make optimum use of existing oil resources.

Prices for crude and products for foreign buyers will be based on specific criteria, adjustments for inflation, and the cost of producing energy from other sources. Domestic prices for products will be adjusted with a view to coordination and the overall policies of the oil industry.

Production

Crude oil production will rise from 294 million cubic metres (5.1 million barrels per day) in 1351 to 424 million cubic metres (7.3 million barrels) in 1356.

Exports

Crude oil exports will rise from 281 million cubic metres (4.8 million barrels a day) in 1351 to 392 million cubic metres (6.7 million barrels a day) in 1356.

Domestic consumption

Domestic consumption of products (excluding bunker fuel) will increase at an average annual rate of 17.8 per cent and rise from 13.2 million cubic metres in 1351 to 29.6 million cubic metres in 1356. Consumption of products such as naphta, bitumen and lubricants will rise from 0.6 million cubic metres in 1351 to 1.2 million cubic metres in 1356. Per capita consumption of oil products will increase at an annual rate of 14.5 per cent, rising from 423 litres a year in 1351 to 823 litres in 1356.

Refining

To meet domestic requirements, refining capacity will be increased

from 14 million cubic metres of crude oil in 1351 (242,000 barrels a day) to 38 million cubic metres in 1356 (655,000 barrels a day). To this end, in addition to existing refineries, such as the refineries at Tehran, Abadan, Kermanshah, Shiraz and the topping unit at Lavan, the new refinery at Tabriz and possibly the refinery at Isfahan will come into operation.

Work on three other refineries, scheduled to go on stream during theSixth Development Plan, will begin and projects for export refineries will be implemented.

Pipelines

During the Fifth Plan, the second Ahvaz-Tehran crude oil pipeline, and the Tehran-Tabriz pipeline, now under construction, will come into operation. Construction of the Isfahan-Marun crude oil pipeline will be completed. Construction of the crude oil pipeline from Isfahan to the North will begin. About 27,000 kilometre inches of product pipelines will be established during this period. The most important of these are the Tehran-Shahrud, Shahrud-Mashad, Shahrud-Gonbad, Tehran-Sari, Shiraz-Kerman, Tabriz-Rezaieh and the second Tehran-Rasht lines.

Storage

To distribute products 2.3 million cubic metres of new storage capacity must be built and come into operation by the end of 1356, so that tank farm capacity at the end of the Fifth Plan will come to 4 million cubic metres. Fuel delivery facilities at airports, ports and the Persian Gulf islands will be proportionately expanded.

Exports

To secure markets in major consumption centres abroad, the NIOC during the Fifth Plan will begin exploration and drilling operations in the Caspian Sea; participate in refining and distribution facilities in European and African countries; take part in distribution and marketing facilities in the United States; provide part of the crude oil requirements of foreign refineries, including Madras and South Africa; utilise international oil pipeline projects in consumer countries; increase tanker capacity from 183,500 tons to about 1 million tons; and participate with foreign firms in transport of crude oil and products.

Investment

Total fixed investment in the oil industry during the Fifth Plan is projected at 623.7 billion rials ($9.24 billion). Of the total, 333 billion rials will come from general revenues, 202.9 billion rials from the NIOC and 87.8 billion rials from the private sector.

A sum of 187.4 billion rials will be allocated to exploration and extraction; 276.4 billion rials to refining; 73.6 billion rials to transport and distribution; 8 billion rials in non-industrial activites; and 30.7 billion to investment in activities abroad.

A further 47.6 billion rials, it is expected, will be invested by the affiliate companies.

However, no limits have been placed on investment in the oil and gas industries, and allocations will be increased should the need arise.

TOTAL CREDITS FOR OIL ACTIVITIES / 5TH PLAN

(in billion rials)

	Current credits	Development credits			Total
		fixed	non-fixed	total	
Exploration and exploitation	–	123.00	–	123.00	123.00
Refining	–	158.40	–	158.40	158.40
Transport and distribution	–	44.60	–	44.60	44.60
Non-industrial affairs	–	–	–	–	–
Foreign activities	–	7.00	–	7.00	7.00
Investment in affiliated companies	–	–	–	–	–
Total	–	333.00	–	333.00	333.00

FIXED INVESTMENT IN OIL / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Exploration and exploitation	187.40	–	187.40
Refining	212.40	64.00	276.40
Transport and distribution	73.60	–	73.60
Non-industrial activities	8.00	–	8.00
Foreign activities	30.70	–	30.70
Investment in affiliated companies	23.80	23.80	47.60
Total	535.90	87.80	623.70

Gas

Goals

Gas is expected to play an increasingly important role as a source of energy supply in the course of the Fifth Plan and as a substitute for oil fuels, particularly middle distillates. The share of gas in total energy consumption will rise from 18 per cent in 1351 to 23.2 per cent in 1356, or from 3 billion cubic metres to 9 billion cubic metres.

General aims are to increase the use of gas in the production of petrochemicals, as an energy source and as an export commodity.

To this end, exploitation of natural gas resources, gas pipelines and distribution networks will be expanded. The Government will encourage construction of gas pipelines and distribution units by providing facilities through the Ministry of Roads and Transport and the municipalities. It will encourage wider consumption by home and commercial users by providing financial facilities, such as bank credits and payment for installation on the installment plan. And it will offer incentives for industrial users and for power generation by lowering tariffs and ensuring uninterrupted supply.

Refining and Transmission

Several projects are planned or underway in this sector. Activity on phase two of the Trans-Iranian gas pipeline will be continued. Studies and work on a second pipeline, to meet the needs of power-generating units of petrochemical plants, direct-reduction method steel mills and other consumers will be undertaken.

Other projects include expansion of gas resources on Qeshm Island and construction of a pipeline from Qeshm to Bandar Abbas to meet the needs of direct-reduction method steel mills, the copper industry and other activity in Southeast Iran; an inter-linked gas system for Khuzestan; and expansion of resources at Kangan.

Distribution

Gas supply will be extended, as feasible, to such towns as Tehran, Ahvaz, Shiraz, Isfahan and Mashad and to rural areas lying along the Trans-Iranian pipeline.

Exports

Major projects planned to increase exports of gas include the Gachsaran-Kharg project (involving the export of LNG from Gachsaran via Kharg Island) and the Kangan project.

Investment

Total fixed investment in the gas industry during the Fifth Plan will come to 167.5 billion rials ($2.5 billion). Of this total, 51 billion rials wi"

come from general revenues, 69 billion rials will be provided by the National Iranian Gas Company and 47.5 billion rials by the private sector.

Refining and transmission will account for 57.2 billion rials of the total; distribution for 13.5 billion rials; distribution in rural areas for 1.3 billion; non-industrial activities for 0.5 billion rials; and preparation and export of LNG 95 billion rials.

However, no limits have been placed on investment in the gas industry, and allocations will be increased should the need airse.

TOTAL CREDITS IN GAS INSTALLATIONS / 5TH PLAN

(in billion rials)

	Current credits	Development credits		Total
		fixed	non-fixed	
Gas refining and transport	–	49.70	–	49.70
Supply to rural areas	–	1.30	–	1.30
Total	–	51.00	–	51.00

FIXED INVESTMENT IN GAS / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Refining and transfer	57.20	–	57.20
Distribution	13.50	–	13.50
Supplies for rural areas	1.30	–	1.30
Non-industrial activities	0.50	–	0.50
Collection and export	47.50	47.50	95.00
Total	120.00	47.50	167.50

Electricity

Goals

The overall aim of the investment in the electricity sector is to generate adequate power to meet the growing needs of industry, agriculture, commerce, transport and home consumption.

To this end, generation, transmission and distribution capacity will be increased through the installation of new plant and steps will be taken to permit more efficient utilisation of existing facilities.

Programmes planned or already underway include the application of improved management and accounting techniques and of modern technology; closer coordination between various energy industry organisations; standardisation of power generation, transmission and distribution facilities wherever possible throughout the country; and large-scale training both in the classroom and on the job of managers, technicians and other workers so that Iranian specialists should gradually replace foreign experts.

Policy is to develop the electricity industry within the framework of an energy master plan. In urban areas, expansion of plant and distribution will be based on master distribution plans and, in towns where these do not exist, on distribution plans. In rural areas, electric power projects will be coordinated with other development plans for rural centres, be based on regional distribution plans and be implemented and operated by regional power companies.

To improve operating methods, the load factor will be increased by supplying the needs of industry and rural areas; and by supplying electricity on a regular and uninterrupted basis and at a level required by the consumer. Investment will take place with a view to priorities in electric power consumption, other forms of energy generation, lowest possible cost to the consumer and the most economic return on investment.

Tariff policy launched in the Fourth Plan will continue. During the Fifth Plan, the general principles governing price policy will include: fixing prices to the consumer at cost plus reasonable profit; adjusting prices to ensure coordination in different areas of the country and with regard to a reasonable return on investment; and setting prices to make the electricity industry self-financing over the long term.

THERMAL AND HYDRO-ELECTRIC GENERATING CAPACITY / 1351-1356

(in megawatts)

	1351	under construction in 1351	decommissioned	new capacity during 5th Plan	1356
Thermal generation	1,290	1,329	(213)	3,270	5,676
Hydro-electric	804	1,000	(-1)	20	1,824
Total	2,094	2,329	(213)	3,290	7,500

To reduce pollution in urban and industrial areas and reduce fuel costs through use of heavy fuel oil and natural gas, power generation facilities insofar as is possible will be located next to oil refineries, pipelines and natural gas fields.

The Government will undertake studies for the establishment and operation of nuclear power stations.

Power generation and consumption

Electric power consumption during the Fifth Plan period is expected to rise at an average annual rate of 31 per cent a year and increase from 8,200 million kilowatt hours in 1351 to 32,000 million kilowatt hours in 1356.

Per capita electric power consumption will increase at a rate of 27.5 per cent annually and rise from 265 kilowatt hours in 1351 to 891 kilowatt hours in 1356.

Of this total, public power companies and enterprises operated by the Ministry of Water and Power will account for 28,000 million kilowatt hours (an annual growth rate of 36 per cent), while the remaining 4,000 million kilowatt hours will come from private power companies.

Power generation by public facilities will increase from 6,870 million kilowatt hours in 1351 to 32,800 million kilowatt hours in 1356.

Total power generation in 1356 will stand at 37,300 million kilowatt hours. Of this, 7,300 million kilowatt hours will come from hydroelectric power generation and 30,000 million kilowatt hours from thermal power generation.

Generating facilities

The capacity of public electric power generating facilities will rise from 2,094 megawatts in 1351 to 7,500 megawatts in 1356. Hydroelectric generating capacity will account for 1,824 megawatts and thermal generating capacity for 5,676 megawatts.

LENGTH OF ELECTRIC POWER TRANSMISSION LINES IN THE YEARS 1351 AND 1356

	Existing lengths 1351	Lines under construction 1351	Lengths in 1356
400-kilowatt lines	–	–	1,856
230-kilowatt lines	1,914	1,238	6,033
132-kilowatt lines	1,014	1,278	3,044
Total	2,928	2,516	10,933

Of new generating capacity, 2,329 megawatts will come from facilities on which work was begun during the Fourth Plan and 3,290 megawatts from generating plants installed during the Fifth Plan.

In addition, construction will begin during the Fifth Plan on a further 6,000 megawatts of generating capacity which will come on stream during the Sixth Plan (1978-83).

Transmission facilities

In the course of the Fifth Plan, the power transmission network will be expanded and all major electric power generation and consumption centres and grids will be integrated. The length of power transmission lines will increase from 2,927 kilometres in 1351 to 10,933 kilometres in 1356.

Distribution facilities

Distribution facilities will be expanded to provide adequate and reliable electricity supply to all urban areas and their surrounding villages. Renewal and expansion of distribution facilities during the Fifth Plan comprise:

33 and 63 kilovolts (above and underground) 1,500 kms
11 and 20 kilovolts (above and underground) 4,500 kms
secondary distribution posts 20,000 posts, 10,000 megavolt amperes
weak voltage distribution networks 230/400 volts, 66,000 megavolt amperes.

Rural electricity

The programme for rural electricity distribution both for use in the home and in economic activities is as follows:

- **Provision of electricity to villages from generating facilities in urban centres where this is economically feasible. In such instances, electricity will be supplied under the aegis of the regional electricity companies.**
- **Provision of electricity, in coordination with other development programmes, to 1,180 rural development centres foreseen under the Fifth Plan.**
- **Provision of electricity to 200 individual villages listed under the rural renewal programme.**

Investment

Total fixed investment in the electricity sector in the Fifth Plan will be 310.5 billion rials ($4.6 billion). The figure is 2.7 times as large as

the 119.5 billion rials originally slated for this sector. The entire figure will come out of public sector funds.

Of the total, 141.2 billion rials has been allocated to electric power generation; 43.7 billion rials to transmission; 95 billion to distribution; 17 billion to rural electricity and 13.6 billion to research and studies.

TOTAL CREDITS FOR ELECTRICITY / 5TH PLAN

(billion rials)

	Current credits	Development credits			Total
		fixed	non-fixed	total	
Generation	–	117.20	–	117.20	117.20
Transfer	–	31.70	–	31.70	31.70
Distribution	–	60.50	–	60.50	60.50
Supply to rural areas	–	17.00	–	17.00	17.00
Research and evaluation	0.90	13.60	4.30	17.90	18.80
Supervision	0.27	–	0.03	0.03	0.30
Administration	0.90	–	3.50	3.50	4.40
Total	2.07	240.00	7.83	247.83	249.90

FIXED INVESTMENT IN ELECTRICITY / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Generation	141.20	–	141.20
Transfer	43.70	–	43.70
Distribution	95.00	–	95.00
Supplies to rural areas	17.00	–	17.00
Research and evaluation	13.60	–	13.60
Supervision	–	–	
Total	310.50	–	310.50

Part 4: Infrastructure

Transportation & Communications

Goals

The existing transportation infrastructure is inadequate to meet the country's needs. The rapid expansion of the economy, major new agricultural, industrial and touristic projects, and the doubling of Fifth Plan investments will create a more pressing need for a developed transportation system.

The basic aim of investment in this sector during the Fifth Plan is to create a transportation capacity in keeping with the needs of the economy.

The Government's goal is to raise capacity of all the ports and entry points in the country for non-oil goods (commercial products, ores, grains, sugar and cement) to 33 million tons a year. Non-oil port capacity should rise from seven miliion tons a year in 1351 to 29 million tons in 1356. Ores and grain will account for 50 per cent of this total.

The Government will at the same time seek to expand the country's rail, road and air transport network; to improve operating efficiency and maintenance; to create feeder roads to link agricultural production centres to consumption centres; and to encourage the private sector to utilise the road network, and particularly overland entry points, for goods transport. Guidelines in each area will be as follows:

Roads

The Ministry of Roads and Transport will undertake a range of programmes to improve operating efficiency, maintenance, construction activity and as support services to the private sector.

Three new organisations will be created in the course of the Fifth Plan. The Ministry of Roads and Transport will establish a Road Maintenance and Construction Research Centre to conduct research into construction and maintenance techniques, materials etc.

An Engineering Services Institute will be established, with the cooperation of reputable foreign organisations. And to save construction firms the cost of purchasing heavy expensive road construction machinery and keep down costs, a Road Machinery Cooperative will be established through which equipment can be rented.

The soil mechanics laboratory of the Roads Ministry will be expanded and provincial branches set up. The laboratories will provide private sector construction firms with advice and services. The ministry will expand training programmes, making use of existing universities, sending students for training abroad, encouraging Iranians abroad with the necessary qualifications to return home, and establishing training courses in the ministry.

The ministry's Road Maintenance Organisation will establish more precise regulations on axle weights and vehicle standards and exercise more regular supervision on road use.

The Government will encourage private contractors in the provinces to merge in order to create larger, stronger units. All road construction will be carried out by the Ministry of Roads and Transport. Only in exceptional circumstances, will Government agencies be permitted to undertake road construction themselves, and then only in relation to special projects, under specifications set down by the ministry and in coordination with other road projects.

Overland transport

In order to make optimum use of existing transport capacity, a point-of-origin-to-destination transport system will be established along the axis of all the entry and export points of the country. Suitable tariffs will be established for each route; and a public warehouse company and a loading and unloading company will be established, applying up-to-date techniques, to strengthen activity in these areas.

Railroads

Improved management and accounting methods will be applied to the Iranian State Railways; and studies will be undertaken on the operation of the railways commercially as a means to more efficient operation. A five-year programme, to be reviewed each year, on railway maintenance, installations and facilities will be drawn up. Tariff reductions granted by the railways on Government instructions will be re-examined. Research and training will be expanded. No new non-technical staff will be hired until the size is in keeping with the work to be done. Special efforts will be made to complete and equip the domestic sleeper factory. Facilities constructed out of Fifth Plan development funds will be treated as loans to be repaid by the State Railways. This will not apply to Fourth Plan projects whose implementation has been put off for the Fifth Plan.

Ports

The management at each of the major ports will be given the authority, by law, to carry out operations and maintenance of the port; and the ports will be run on a commercial basis, under the authority of the Ports and Shipping Authority. Authorities at all ports will be permitted to make arrangements with the private sector for provision of port services (loading and unloading, transport and customs operations in the ports area).

Shipping companies, transport firms and chambers of commerce will be encouraged to build berths and warehouses, initially for their

own use and later for use, under special arrangements, by the Ports and Shipping Organisation.

A technical training school will be established and students will be sent abroad for training. To increase port efficiency, a communications centre will be established at each port. The Ports and Shipping Organisation will establish a five-year programme, to be reviewed annually, for maintenance, installations and equipment.

In drawing up their new route programmes, shipping lines should provide for the possibility of utilisation of ships on international routes headed to and from ports in neighbouring countries and trans-shipment of goods from these ports to Iran. The Ministry of Roads will draw up a programme for such trans-shipment, and private firms who participate will qualify for special financial assistance.

HIGHWAY CONSTRUCTION

Route	Length in kilometres	Estimated cost (million rials)	Credits during 5th Plan (million rials)
Isfahan-Steel Mill	25	730	730
Karaj-Qazvin-Takestan*	126	2,500	2,500
Tehran-Qom*	130	5,500	5,500
Tehran-Rudehen*	42	900	900
Tehran-Varamin*	45	800	800
Tehran ring road	70	2,500	1,500
Qom-Ahvaz-Bandar Shahpur	855	25,420	6,220
Qom-Kashan-Isfahan	300	9,000	2,000
Isfahan-new airport*	17	600	600
Isfahan-Shainshahr*	25	600	600
Isfahan ring road	50	2,500	1,000
Araj-Lashkarak intersection*	10	350	350
Chalous-Marzanabad*	35	1,100	800
Total	1,730	52,500	23,500

*Highways to be completed and ready for use during the Fifth Plan.

MAJOR ROADS BEGUN DURING THE 4TH PLAN TO BE COMPLETED DURING THE 5TH PLAN

Route	Length in kms.	Credits (million rials)
Tehran-Qom (repair of present road)	140	250
Pahlavi-Astara	153	120
Tabriz-Ahar-Ardebil-Sarab-Bostanabad	300	1,500
Mahan-Bam-Shurgaz	346	1,500
Saqez-Miandoab-Rezaiyeh-Khoy-Oghlu	390	2,760
Na'in-Yazd	180	860
Completing remaining sections of Shiraz-Bushehr road	150	2,100
Shahabad, Elam-Tehran	230	900
Masjed Soleiman-Shushtar intersection	42	460
Zirab-Shahi	40	400
Darzin-Sabzevaran	88	1,350
Saveh-Ravan	150	550
Safety measures on the Haraz and Chalus roads	191	550
Total	2,400	13,300

Airports

A five-year programme, to be reviewed each year, will be drawn up for manpower, maintenance, installations and equipment. The existing technical training school will be strengthened. No airport will be constructed for which Iran Air does not have a projected flight programme. As a commercial company, Iran Air will be required to pay landing and service fees.

Other measures

Infrastructure projects will take time to complete. More immediate steps will be taken to improve handling capacity, particularly at the ports. Regulations governing customs handling and clearance will be reviewed, and barriers to the shipment of goods under pasavant and customs bond will be removed.

Ports will be put on two and three shifts. Ports and customs officials will be given greater authority. Greater use will be made of barges for loading and unloading purposes. The private sector will be encouraged to use other than traditional ports, to invest in berth, road and warehouse construction and to take over loading and unloading activities. A basic review of regulations governing mapping by the National Cartographic Centre and private organisations will be undertaken.

MAJOR ROADS TO BE CONSTRUCTED AND COMPLETED DURING THE 5TH PLAN

Route	Length in Kms.	Credit (million rials)
Sarbandar-Bandar Shahpur	15	280
Astara-Ardebil	100	1,500
Shurgaz-Zahedan	300	1,700
Shiraz-Sirjan	360	1,600
Fumen-Miyaneh	200	3,000
Sanandaj-Hamadan	157	1,200
Ahvaz-Darkhovein-Abadan	120	1,100
Kerman-Zarand	90	500
Rudehen-Damavand-Abeali	31	240
Widening of the southern Tehran-Karaj road	20	200
Takestan-Shahdasht	154	680
Damavand-Firuzkuh-Zirab	150	2,600
Rafsanjan-Sarcheshmeh-Khatunabad	100	1,200
Sirjan-Shahrbabak-Anar	207	1,100
Rudan-Sabzevaran	173	1,700
Karak-Bojnord	25	390
Dezful-Andimeshk	7	40
Khorramabad intersection-Dorud	18	50
Behbahan cement plant road	10	80
Tabriz-Miandoab-Maragheh	190	1,200
Qazvin-Bu'in-Saveh	155	1,200
Completion of the Yazd-Kerman road	320	700
Marand-Jolfa	70	630
Widening of the special Karaj road	40	1,200
Kerman-Mahan	31	210
Ahvaz-Shushtar	95	800
Shahrud-Shahpasand	130	900
Widening of the Tehran-Saveh road	70	1,500
Widening of the Sirjan-Bandar Abbas road	330	500
Total	3,668	28.000

MAJOR ROADS TO BE STARTED DURING THE 5TH PLAN AND COMPLETED DURING THE SIXTH PLAN

Route	Length in kms.	Total credits (million rials)	5th Plan credits
Varamin-Shahrud-Mashad	880	10,000	1,000
Shahreza-Samirom-Behbahan	390	2,938	2,000
Birjand-Zabol-Zahedan	440	2,500	1,500
Mashad-Gonabad-Birjand	500	4,019	3,000
Urban by-pass roads	300	2,500	1,000
Miyaneh-Miandoab	200	1,800	1,000
Arak-Khomein-Mahallat	150	1,200	500
Shahrkord-Dehdaz-Borujen	250	2,400	1,200
Miyanjangal-Darab-Kahgom	400	4,500	2,250
Caspian Coast road widening	320	4,500	2,250
Total	3,830	36,357	15,700

SPECIFIC PROJECTS

Highways

Construction work will begin during the Fifth Plan on 1,730 kms. of highways; 455 kms. will be completed by the end of the Plan. The remaining part of the programme will be completed in the Sixth Plan. The highways completed and commissioned during the Fifth Plan aside, there is no limit on investment on other highway projects. Further allocations will be made if construction of these roads, with private sector participation, is feasible.

Major roads

At the end of the Fourth Plan, asphalted roads in use totalled 12,500 kms. Given the need to link population, agricultural, industrial and mining centres with their markets, and land and sea entry ports with points inland and to provide access to tourist areas, all incomplete Fourth Plan major road projects, comprising 2,400 kms. of road, will be completed in the course of the Fifth Plan and the remaining 3,830 kms. will be completed during the Sixth Plan.

Feeder roads

At the end of the Fourth Plan, there were about 12,000 kms. of feeder roads in use. During the Fifth Plan, an additional 3,500 kms. of Fourth Plan feeder road projects will be completed. Work will begin on a further 15,500 kms. of feeder roads, of which 8,000 kms. will be completed in the course of the Fifth Plan and the remaining 7,500 kms. during the Sixth Plan.

All new roads on which work will begin during the Fifth Plan will be asphalted. Priorities for feeder road programmes for provinces and regions will be determined each year when the annual budget is drawn up.

RESEARCH, STUDIES, TRAINING AND MISCELLANEOUS ACTIVITIES RELATED TO HIGHWAY PROGRAMMES

(million rials)

	Estimated cost	notes
Establishment of the Road Construction Research Centre	500	
Studies of highways and major roads	2,000	
Establishment of an Information Centre	750	
Completion of an Instruction Centre and implementation of training programmes	–	(credit reflected in education budget)
Joint venture between the Ministry of Roads and foreign concerns	250	
Expansion of a technical and soil mechanics laboratory	1,000	
Total	4,500	

MAINTENANCE AND REPAIR OF MAJOR ROADS / 5TH PLAN

	Credits (million rials)
Completion of re-asphalting	2,000
Re-asphalting	8,700
Surface asphalting of gravel roads	6,000
Equipment	8,000
Studies	300
Total	25,000

Repair and maintenance

Given the heavy investment in road construction, high priority will be given to proper road repair and maintenance. Allocations from development revenues for road maintenance have been projected at 25 billion rials. Of this, 2 billion rials will be spent on completing incomplete projects for re-asphalting major roads; 8.7 billion on new projects for re-asphalting of major roads; 6 billion on surface asphalting of gravel roads; 8 billion on machinery; and 300 million rials on research and training.

RAILWAYS: OVERALL PROGRAMME / 5TH PLAN

	Estimated cost	5th Plan Credits (million rials)
Security, establishment of secondary lines, expansion of stations, and establishment of crossings	4,350	4,350
Electrification of the Tabriz-Jolfa line	2,250	2,250
Connecting lines between the Kordan, Shahabad, Aparin and Bahram stations	1,000	1,000
Construction of a repair complex for wagons and locomotives	2,200	2,200
Construction of four warehouses along railway lines (each 100,000 square metres)	4,000	4,000
Electrification and construction of two lines, Bandar-Abbas-Sirjan and Yazd-Kerman, completion of the Zarand-Kerman lines, establishment of the second Tabriz-Qazvin-Tehran-Ahvaz-Bandar Shahpur electric line, recommissioning of existing lines, studies on priority lines*	82,200	42,200
Purchase of facilities, machinery, signals, communications and electric equipment	30,000	24,000
Total	126,000	80,000

*Given the priority of these programmes, no limits have been placed on investment in this sector and additional credits will be allocated if necessary.

Railroads

The railways programme for the Fifth Plan has been determined with a view to the expanding volume of commercial exchanges and the need to link entry ports to the main centres of consumption.

Programmes left incomplete during the Fourth Plan will be completed. This includes purchase of facilities (rail-laying equipment, wagons, locomotives, etc), repair of old and worn lines; electrification of the Tabriz-Julfa line; equipping and expanding the line to the Aryamehr Steel Mill; completion of the Kerman-Zarand line; construction of the Bandar Shahpour station; and construction of a number of fly-over crossings.

Projects to be undertaken during the Fifth Plan are: construction of a two-track electric Bandar Abbas-Sirjan-Yazd-Kerman rail link; construction of a second electric line between Tehran-Ahvaz-Bandar Shahpour; construction of a second electric, line between Tehran-Qazvin-Tabriz; restoration of some existing lines; construction of a locomotive repair works; construction of four goods warehouses, each of a 100,000 square metres, along the Qazvin-Tehran-Bandar Abbas line; purchase of equipment and rolling stock necessary to increase haulage capacity and utilisation of new lines; study and project preparation for priority projects along the Isfahan-Ahvaz-Kerman-Zahedan-Mirjaveh-Mashad-Sarakhs routes.

Ports

A major aim of the port development programme is to create sufficient capacity to permit the southern ports to handle all Iran's external trade by 1357 (1978-9). Programmes that will be undertaken during the Fifth Plan are as follows:

Projects carried over from the Fourth Plan will be completed. Among these the major projects involve construction of the repair yard, warehouse and facilities at Bandar Abbas, dredging of the Bushehr canal and construction of its administrative building; construction of four new berths at Bandar Shahpour; expansion of Bandar Pahlavi and Bandar Bushehr; and purchase of loading and unloading facilities for all the country's ports.

Projects that will be launched during the Fifth Plan comprise the following:

At Bandar Shahpour, work will begin on construction of 26 new berths including a special berth for barges; facilities for ore unloading activities; transit silo facilities for grain unloading; port area construction; widening of the Khor Musa canal. These operations will give the port an annual capacity in normal circumstances of 15 million tons for non-oil goods.

CONSTRUCTION AND EXPANSION OF PORTS / 5TH PLAN

	Estimates (million rials)	5th Plan credits (million rials)
Completion of activities begun during the 4th Plan involving the construction of 4 berths in Bandar Shahpur and repair work on the Khorramshahr jetty	6,500	6,500
Construction of 26 berths in Bandar Shahpur, grain transit silos and special jetty for mineral ores, barges*	25,000	15,500
Expansion of Bandar Bushehr	3,000	3,000
Establishment of a new complex in Bandar Abbas, grain silos and mineral ores export jetty*	25,000	14,500
Expansion of the ports of Pahlavi and Nowshahr	2,500	2,500
Construction of new commercial port in Chahbahar	2,500	2,500
Purchase of bouys and loading and unloading equipment	14,500	14,500
Construction of small fishing ports	3,000	3,000
Total	82,000	62,000

*Given the priority of expanding Bandar Shahpur and Bandar Abbas, no limits have been placed on investment in these sectors, and additional credits will be allocated if necessary.

At Bushehr, new berths will be added to raise nomal annual port capacity to 1 million tons in non-oil goods.

At Bandar Abbas, with the transfer of the commercial port to the Imperial Navy, the construction of a new port becomes essential. The new port will be constructed on a 65 sq. kms. site, 30 kms. west of the present site. In addition to port facilities, sites adjacent to the water have been foreseen for industry, a free port, a fishing port. In the first phase, this port should have an annual capacity of 10 million tons for non-oil products by 1357.

CONSTRUCTION AND EXPANSION OF AIRPORTS / 5TH PLAN

	Estimated cost (million rials)	5th Plan credits (million rials)
Completion of 4th Plan projects	2,300	2,300
Expansion of existing airports	10,986	10,986
Construction of new airports, including Tehran International Airport*	30,931	5,181
Construction of small regional airports	1,084	1,084
Renovation of airports	539	539
Automatic aircraft guidance systems*	15,710	5,410
Total	61,550	25,500

*Given the priority of an international airport for Tehran and the automatic aircraft guidance systems, no limits have been placed on investment in these sectors, additional credits will be allocated if necessary.

At Chah-Bahar, a new port will be constructed raising goods handling capacity to 200,000 tons a year.

At Bandar Pahlavi and Nowshahr, new berths will give the two ports a combined annual capacity of 800,000 tons in non-oil goods by the end of the Fifth Plan.

The total normal capacity at Iran's commercial ports, including Khorramshahr, for non-oil goods will thus come to 29 million tons by 1357.

At the same time, breakers and berths will be constructed and shipping lines established at small ports and the islands to promote navigation and fishing in these regions.

To ensure security of shipping, installations such as buoys, pilot lights and piloting aids in the ports areas will be expanded; and training of personnel at all ports will be increased.

Airports

Projects carried over from the Fourth Plan will be completed. These include programmes such as the Isfahan Airport building, the expansion of Tehran Airport, and the improvement of installations at various airports.

Increasing traffic, and new types of aircraft, both civilian and military, necessitate the expansion of existing airports. Projects here include the expansion and reinforcement of the runways at the airports of Ramsar, Rasht, Hamadan, Nowshahr, Kharg, Rezaieh, Kerman and Ahvaz; construction of new terminals at the airports in Isfahan, Mashad. Shiraz and Kish; and the construction of hangars at Mehrabad.

TYPES AND NUMBER OF AIRCRAFT TO BE PURCHASED DURING THE 5TH PLAN

	Number	Credits (million rials)
Boeing 727-200	5	
Boeing 707 (passenger and cargo)	2	
Boeing 747	3	
F-28 or similar aircraft	3	
Concorde*	3	
Total	16	22,500

*one of which to be commissioned during 6th Plan

New national airports include a new Tehran Airport on which work will begin during the Fifth Plan and which will be completed and commissioned in 1981, during the Sixth Plan; work will also begin on construction of airports at Babolsar, Gorgan and Birjand and the airport building at Arak.

A string of small regional airports, designed to facilitate cargo transport, mail delivery and to link up major centres with provincial cities and industrial poles will also be established. These airports will be constructed after air routes have been designated.

Allocations have also been made for basic repair of certain airports, for purchase of equipment and for installing automatic flight control facilities to cover flights over Iran's entire airspace.

Overland transport

The programme for overland haulage includes the purchase of 2,000 trucks and 6,000 trailers; the creation of a string of truck terminals and repair stations; and a statistical survey of road haulage traffic. A sum of 14 billion rials has been allocated to this programme in the Fifth Plan.

Ocean transport

To guard goods destined for Iran against high charges and surcharges — which the special conditions and numerous small, ill-equipped ports in the Persian Gulf make practically inevitable — support will be extended by the Government to Iranian shipping organisations.

The number of existing ships will be increased from 18 (with a capacity of 1.2 million tons) to 90 with a capacity of 8 million tons by the end of the Fifth Plan. In addition, barges and small ships will be obtained to facilitate unloading of ships.

A sum of 40 billion rials has been allocated for the expansion and strengthening of Iranian shipping companies. The funds will be provided as loans on easy terms. Given the importance of expanding Iranian commercial shipping, no limit has been set on allocations to this programmes and more funds will be made available if they can be properly absorbed.

Air transport

To strengthen the Iranian international, regional and national air transport network, 16 aircraft (5 Boeing 727-200; 2 Boeing 707; 3 Boeing: 747; 3 F-27 or similar aircraft; and 3 Concordes, of which one will be commissioned during the Sixth Plan) will be purchased at a cost of 22.5 billion rials. Of the total, 6.5 billion rials will be provided in the form of a loan.

The addition of these aircraft will permit establishment of flights to Vienna, Zurich, Muscat, Peking, Shanghai, Tokyo, Beirut, Cairo and New York. Internal flights will also be established to Hamadan, Sanandaj, Babolsar, Arak, Khorramabad, Kish nd other cities where airport facilities exist.

Investment

Total fixed investment in transport and communications during the Fifth Plan has been projected at 492.2 billion rials ($7.3 billion). The public sector will account for 402.2 billion rials and the private sector for 90 billion rials.

Of the total, 156 billion rials has been allocated for roads, 80 billion rials for railroads, 62 billion for the ports, 25.5 billion rials for airports, 14 billion rials for overland transport, 130 billion for shipping, and 24.7 billion rials for air transport.

TOTAL CREDITS FOR COMMUNICATIONS / 5TH PLAN

(billion rials)

	Current credits		Development credits		Grand total
		fixed	non-fixed	total	
Construction and expansion of highways	0.40	23.50	–	23.50	23.90
Construction and expansion of major roads	1.40	61.50	–	61.50	62.90
Construction and expansion of secondary roads	0.70	46.00	–	46.00	46.70
Maintenance and basic repairs	11.70	25.00	–	25.00	36.70
Construction and expansion of the railway network	0.40	80.00	–	80.00	80.40
Maintenance of railroads	3.40	–	–	–	3.40
Construction and development of ports	–	62.00	–	62.00	62.00
Maintenance of ports	–	–	–	–	–
Construction and expansion of airports	–	25.50	–	25.50	25.50
Airport maintenance	5.00	–	–	–	5.00
Overland transport	0.30	14.00	–	14.00	14.30
Shipping	–	40.00	–	40.00	40.00
Air transport	0.30	22.50	–	22.50	22.80
Research and evaluation	–	–	–	–	–
Administration	2.00	–	–	–	2.00
Total	25.60	400.00	–	400.00	425.60

FIXED INVESTMENT IN COMMUNICATIONS / 5TH PLAN

(billion rials)

	Public sector	Private sector	Grand total
Construction and expansion of highways	23.50	–	23.50
Construction and expansion of major roads	61.50	–	61.50
Construction and expansion of secondary roads	46.00	–	46.00
Maintenance and basic repairs	25.00	–	25.00
Construction and expansion of railway network	80.00	–	80.00
Maintenance of railroads	–	–	–
Construction and development of ports	62.00	–	62.00
Maintenance of ports	–	–	–
Construction and expansion of airports	25.50	–	25.50
Airport maintenance	–	–	–
Overland transport	14.00	–	14.00
Shipping	40.00	90.00	130.00
Air transport	24.70	–	24.70
Research and evaluation	–	–	–
Administration	–	–	–
Total	402.20	90.00	492.20

Telecommunications

Goals

The general policy in the telecommunications field is to expand services to meet the growing needs of the economy and to cover the entire country.

To this end, the telephone, microwave, postal, and radio television systems will be expanded; the electronics industry will be developed through joint ventures between Iranian and foreign concerns; establishment of private communications systems will be discouraged; a postal delivery company, making maximum use of public sector transport facilities, will be established; and better managerial techniques and expanded research and training programmes will be pursued.

In the radio-television field, programmes of better quality, more suited to public taste, drawing on national cultural heritage and meeting needs for vocational training will be introduced. Receivers will be standardised as a means of cutting costs and expanding the market. News reporting will be improved.

Programmes

In the field of telecommunications, the aim will be to increase the number of telephone lines from 430,000 at the end of the Fourth Plan to 2 million at the end of the Fifth (i.e. to 5.5 telephones per thousand inhabitants) and 7.5 million at the end of the Sixth Plan; to increase the number of towns with automatic dialling systems from 32 to 250; to establish STD facilities and long-distance links at 224 new points; to increase the microwave telecommunications system by 40,000 canals and the number of lines from 89 to 250; to increase the number of telex subscribers from 600 to 9,000; to construct and commission the second antenna at the Assadabad station; to establish direct dialling with foreign countries; to replace the old "carrier" system; to modernise the network at all points; and to establish a differential tariff for different times of the day uniformly throughout the country. In the telegraphic field, there will be a changeover from Morse to the teleprinter system at 400 points and a system of telecommunication will be created for the use of banks, airlines, weather forecasting and other organisations requiring rapid communications.

In the postal field, the overall aim is to increase carrying capacity to 2 billion letters a year and to cut down delivery-time to 24 hours in high-density areas, 48 hours in low-density areas and a maximum of 96 hours from any part in the country to another.

Mechanised and automatic sorting systems will be established in Tehran, Mashad, Zahedan, Kerman, Shiraz, Isfahan, Ahvaz, Hamadan and Tabriz. The postal system will be expanded with 300 new post offices in urban areas, 320 in rural areas, 96 sub-post offices, 245 delivery stations, 30 mobile post offices and 16,000 post boxes.

In television, the aim is to expand Channel 1 coverage from 50 to 65 per cent of the population, Channel 2 coverage to 50 per cent of the population; and to introduce colour television, especially for educational purposes.

In radio, the aim is to expand Radio 1 coverage to 100 per cent during the full 24-hour day; to expand Radio 2 coverage to 50 per cent of the population by day and 90 per cent by night; to expand Radio Iran's foreign broadcasting network with powerful transmitters; and to expand FM radio coverage to provincial centres and important towns.

Investment

Total fixed investment in telecommunications (excluding radio and television) during the Fifth Plan will come to 91.3 billion rials ($1.35 billion).

Of the total, city and inter-city telephones will account for 49 billion rials and main telecommunications lines for 28 billion rials. Secondary lines will account for 2.3 billion rials, international telecommunications 1.6 billion rials, telegraphy 1.5 billion rials and posts 8 billion rials. 500 million rials will be spent on space satellite operations and 400 million rials on research and studies.

TOTAL CREDITS FOR POST AND TELECOMMUNICATIONS / 5TH PLAN

(billion rials)

	Current credits		Development credits		Total
		fixed	non-fixed	total	
City and intercity telephones	–	24.00	–	24.00	24.00
Main telecommunications lines	3.03	28.00	1.20	29.20	32.23
Secondary lines and rural telecommunications	–	2.30	–	2.30	2.30
International Communications	0.07	1.60	–	1.60	1.67
Telegraph	–	1.50	–	1.50	1.50
Post	7.50	8.00	5.00	13.00	20.50
Communications satellite	–	0.50	0.30	0.80	0.80
Research and evaluation	0.30	0.40	0.20	0.60	0.90
Administration	1.00	–	–	–	1.00
Total	11.90	66.30	6.70	73.00	84.90

*Credit for radio and television reflected in the Public Affairs budget.

FIXED INVESTMENT IN POST AND TELECOMMUNICATIONS / 5TH PLAN

(billion rials)

	Public sector	Private sector	Grand total
City and inter-city telephones	49.00	–	49.00
Main telecommunications lines	28.00	–	28.00
Secondary lines	2.30	–	2.30
International telecommunications	1.60	–	1.60
Telegraph	1.50	–	1.50
Post	8.00	–	8.00
Communications satellite	0.50	–	0.50
Research and evaluation	0.40	–	0.40
Administration	–	–	–
Total	91.30	–	91.30

*investment in radio and television is reflected in the Public Affairs budget.

Rural Development

Goals

The 1966 Census indicates that 57 per cent of the population lived in 66,000 rural villages and settlements. Seventy-four per cent of the rural population lived in 18,000 villages of more than 250 population each, the remaining 26 per cent in 48,000 villages each with a population of less than 250.

Policy will be to concentrate investment in rural development zones in order to permit the majority of rural dwellers to benefit from social welfare facilities and services.

The aim of the policy in this sector will be to help close the income gap between town and village, increase participation of the local population in rural development and spread economic and social justice.

Each rural development zone will consist of a grouping of villages, with one village selected as a centre on the basis of geographical centrality, population growth, agricultural productivity, water availability, potential for expansion of Government administrative services and existence or potential for growth of banking, transportation, cooperative, marketing and other services.

The village selected as a centre will be provided with water, electricity, administrative services, schools, basic sports facilities, a park and green areas, medical services, cooperative stores, storage facilities, and veterinary services (where needed).

At the same time, education will be improved to make villagers more receptive to new ideas and techniques in industry, agriculture and rural development. Training will be designed to upgrade literacy and skills in agriculture, extension and cooperative work, home economics, and technical and vocational fields.

In keeping with the principle of decentralisation, villagers will be encouraged to participate in rural development projects which will be planned and implemented on a regional basis. Greater opportunities for productive work by local institutions such as cooperatives, rural cultural houses, equity courts and village councils will be provided.

Government agencies will be encouraged to coordinate the distribution of their staff in development zone centres. Government land will be utilised, where available, for construction of necessary facilities and

buildings at the development zone centres. Where necessary, the Government will purchase the land.

Labour intensive projects will be implemented. The rural development programme itself will create an estimated 130,000 new jobs for villagers.

Programmes

Ten million rural inhabitants are expected to benefit from various social security programmes in the course of the Fifth Plan.

Work will begin on infrastructure projects in 1,180 rural development zone centres, covering 12,000 villages. The size of each development zone, and the number of villages it contains, differs. The volume and type of projects in each zone will thus also differ, and be based on local climatic, economic and social conditions. Agricultural corporations and production cooperatives will each constitute a development zone, and special priority will be accorded to the infrastructure projects in these areas.

The infrastructure projects envisaged are:

- about 40,000 kms. of rural roads.
- 15,000 drinking water projects.
- 7,000 projects for bath-houses, slaughter-houses and mortuaries.
- 3,500 projects for dam construction, flood prevention, levelling and gravelling of roads and playgrounds in development zone centres.
- necessary infrastructure facilities will also be created in "independent" or isolated villages with a population of more than 250, particularly independent villages that contributed their share of funds for infrastructure projects under the self-help programme, and villages that have been selected as centres for consolidated cooperative societies.
- adequate credits will be provided to finish half-completed projects and meet unforeseen and emergency requirements.

Six billion rials has been allocated for fixed investment in these infrastructure projects. It is estimated that this will finance 1,500 drinking and piped water projects, 500 baths, and 500 flood control projects ir independent and heavily-populated villages, 2,000 infrastructure projects in special areas and areas where there is pressing need, and 1,000 projects involving expansion or completion of existing, half-completed projects.

Various training programmes will also be implemented. Educational facilities will be provided for corpsmen working in rural areas. Training will also be provided to local leaders and youth to familiarise them with cooperative policy and self-help programmes, thus to create a local governing force. Programmes will familiarise villagers with the principles of the White Revolution and political democracy.

In the interests of coordination and better implementation of rural development projects, training in aims, policies and approach will be provided to members of village councils, cooperatives, agricultural cooperations and corpsmen. Work will begin on establishing five training centres for this purpose.

Research projects, implemented with the assistance of universities and consultants, will aim at determining the needs and the means of doing the maximum possible in rural areas.

Investment

Total fixed investment in rural development during the Fifth Plan is projected at 60 billion rial ($889 million). The entire sum will come from public sector credits. Of the total, 59.7 billion rials has been earmarked for infrastructure projects. A sum of 200 million rials has been set aside for rural orientation training programmes and 100 million rials for research.

TOTAL CREDITS FOR RURAL DEVELOPMENT / 5TH PLAN

(billion rials)

	Current credits	Development credits		Total
		fixed	non-fixed	total	
Rural infrastructure	4.38	59.70	1.70	61.40	65.78
Education	0.22	0.20	0.08	0.28	0.50
Research and evaluation	–	0.10	0.02	0.12	0.12
Total	4.60	60.00	1.80	61.80	66.40

FIXED INVESTMENT IN RURAL DEVELOPMENT /5TH PLAN

(billion rials)

	Public sector	Private sector	Grand total
Rural infrastructure	59.70	–	59.70
Education	0.20	–	0.20
Research and evaluation	0.10	–	0.10
Total	60.00	–	60.00

Urban Development

By the end of the Fifth Plan, the urban population is expected to increase by 4 million, rising from 13 million in 1973 to 17 million in 1978.

Growth and urban population has up to now been concentrated on a few big cities, resulting in traffic congestion, air pollution and partial lack of essential facilities such as health and educational services.

During the Fifth Plan, measures will be taken to curb population growth in highly populated cities and to encourage a more balanced growth of urban centres by closer coordination of industrial, agricultural and social development projects, and attention to questions of migration, mobility, and relations between cities and outlying regions.

Goals

Aims of the programme will be to determine the best areas for development of new cities, discourage growth in highly populated areas and make cities equally attractive by creating necessary facilities in all major urban centres.

To ensure balanced growth and effective investment and to attract potential emigration to Tehran and other cities, urban development plans will be coordinated with other industrial plans and projects.

Land-use policies will be developed. The Ministry of Housing will propose policies for new-town development and urban expansion. Attempts will be made to set aside land to meet future needs for urban facilities.

At the same time, credits will be allocated for creating city piped water and sewage systems. The Government will participate in providing necessary urban facilities for cities, on the basis of the degree of need, the level of municipal income in relation to population and future potential growth.

As a means of improving municipal finances, municipalities will be freed from the requirement to contribute financially to the Ministry of Education, health organisations, scouting, libraries, physical education organisations, etc.

The Government will also write off repayment by municipalities of development loans and interest, where the city lacks the ability to pay.

To improve traffic, a study will be undertaken of existing organisations responsible for traffic and measures will be adopted to centralise decision-making, programming, and transportation and haulage systems, to identify responsibilities of various organisations and to solve problems.

Implementaton of the bulk of urban renewal projects will be turned over to the local authorities, as a means of strengthening the administrative, managerial and technical capacity of municipalities and ensuring more rapid implementation.

Programmes

Urban policies will be developed and aimed at a balanced distribution of urban population. Studies on migration, mobility and the potential for development of various areas will be conducted.

Urban expansion plans and projects will be drawn up. A cadastral survey of urban centres will be undertaken. Municipalities will be assisted in creating technical and planning bureaus. A cadre of specialists in municipal affairs will be trained in cooperation with the universities.

To create the necessary balance between cities through better distribution of facilities, the following steps will be taken:

● By the end of the Fifth Plan, the number of urban dwellers with access to drinking water will rise from 8.9 million to 17 million, so that, by 1978, the entire urban population will benefit either from potable tap water in their homes or access to public pumps and faucets.

● The sewage system will gradually be extended so that eventually the entire country is provided with sewage facilities. Industrial poles and cities with a high water table will get sewage systems in a period of 10 years; full coverage for urban areas in the country will take 30 years.

● Flood control dams and water diversion canals will be constructed to protect cities from flooding and related damage.

● City traffic will be improved by maximum utilisation of electric power for city transport, improved public transportation, creation of public transport stations, especially on the edge of highly populated areas, improved passenger and vehicle stations, and creation of terminals outside the city for heavy vehicles.

● In addition, old and unhygienic sections of cities will be rebuilt; steps will be taken to create parks and green belts; historical buildings will be preserved.

● In Tehran, measures will be taken to curb haphazard growth, to build a sewage system and to create a better, electric-operated public transport system.

Investment

Total fixed investment from development credits in urban renewal during the Fifth Plan is projected at 45 billion rials. (The comparative Fourth Plan figure was 9.1 billion rials). An additional 28.5 billion rials will be invested out of the revenues of the specialised agencies.

The 45 billion rials of development credits has been distributed as follow: urban expansion programmes, 2.1 billion rials; urban drinking water, 8.3 billion rials; sewerage systems, 8 billion rials; flood control 2.7 billion rials; traffic 16 billion rials; and miscellaneous, 7.9 billion rials. Additional sums, as the accompanying table indicates, will come from the specialised agencies' budgets.

TOTAL CREDITS FOR URBAN DEVELOPMENT / 5TH PLAN

(billion rials)

	Current credits		Development credit		Total
		fixed	non-fixed	total	
Programming	–	2.10	1.70	3.80	3.80
Drinking water	–	8.30	–	8.30	8.30
Sewage	–	8.0	–	8.0	8.0
Security	–	2.70	–	2.70	2.70
Transport	–	16.00	–	16.00	16.00
Miscellaneous facilities	–	7.90	–	7.90	7.90
Administration	1.40	–	1.90	1.90	3.30
Total	1.40	45.00	3.60	48.60	50.00

FIXED INVESTMENT IN URBAN DEVELOPMENT / 5TH PLAN

(in billion rials)

	Public sector	Private sector	Total
Programming	3.10	–	3.10
Drinking water	14.80	–	14.80
Sewage	10.00	–	10.00
Security	4.20	–	4.20
Transport	21.80	–	21.80
Miscellaneous facilities	19.60	–	19.60
Total	73.50	–	73.50

Government Buildings

Goals

The need for additional office space for the Government has grown rapidly with increasing economic activity, the wider scope of Government services and the expansion of the civil service. In the period 1347-51, the size of the civil service increased by an average 28,000 persons a year. The number of civil servants increased from 300,000 in 1347 to 440,000 in 1351. At this rate the civil service will number 600,000 persons by the end of the Fifth Plan in 1356.

The overall goal is to provide Government departments with adequate office space of a suitable type. At the district level, Government buildings will, where possible, be concentrated in one complex in the interests of lower costs and higher efficiency. Priority will be given to small towns and districts, where private sector investment in construction is less likely. Further concentration of Government buildings in Tehran will be avoided where possible. Buildings will be constructed according to standards.

Total fixed investment in Government buildings has been projected at 319 billion rials. The entire sum will come from public sector development revenues. Of the total, 12.1 billion rials will be devoted to public administrative buildings; 7.5 billion rials to buildings for domestic security agencies; and 299 billion rials for other Government buildings. A sum of 400 million rials has been set aside for study and research.

TOTAL CREDITS FOR GOVERNMENT BUILDINGS AND FACILITIES / 5TH PLAN

(billion rials)

	Current credit	Development credit		Total
		fixed	non-fixed	total	
Civil administrative buildings	0.30	12.10	0.50	12.60	12.90
Security agencies buildings	–	7.50	–	7.50	7.50
Other Gov't buildings	–	299.00	–	299.00	299.00
Research and evaluation	0.30	0.40	–	0.40	0.70
Total	0.60	319.00	0.50	319.50	320.10

FIXED INVESTMENT IN GOVERNMENT BUILDINGS AND FACILITIES / 5TH PLAN

(billion rials)

	Public sector	Private sector	Grand total
Civil administrative buildings	12.10	–	12.10
Security agencies buildings	7.50	–	7.50
Other Gov't buildings	299.00	–	299.00
Research and evaluation	0.40	–	0.40
Total	319.00	–	319.00

Housing

Rapid economic growth and inadequate investment in housing has allowed demand for housing to outstrip supply.

A survey undertaken early in 1973 indicates that there were 1,625,000 housing units available for 2,759,000 urban families and 2,908,000 housing units available for 3,489,000 rural families. There was thus a shortage of 1,134,000 housing units in urban areas and 581,000 units in rural areas, or a total shortage of 1,715,000 units.

If existing housing units whose useful life has come to an end or that lack minimum facilities and fail to meet minimum safety standards were included, the size of the shortage would be considerably greater.

At the end of 1351 (early 1973), the occupancy level was 1.4 families to each housing unit at the national level and 1.8 families per unit in urban areas. In other words, in urban areas more than 8 persons were living in each housing unit and there were 122 units for each 1,000 inhabitants.

Goals

The overall aim is to create new housing units to reduce the density of occupancy and to improve the quality of existing units.

The target, for both private and public sector investment in the housing sector, is to build 810,000 new urban housing units in the course of the Fifth Plan, of which 550,000 will be constructed by the private sector and 260,000 by the public sector.

This will provide one housing unit for each new urban family and increase the ratio of housing units to inhabitants from 122 per 1,000 families to 143 per 1,000 families.

In rural areas, a projected 240,000 new units will be built, 200,000 by the private sector and 40,000 by the public sector. The Government will construct housing for civil servants in rural areas and will provide

credits for low-cost housing through the agricultural corporations and rural cooperatives.

Public sector housing and buildings will be based on standards established by the Housing Ministry and luxury, high-cost housing will be avoided. Training of construction workers will be expanded. Tax, credit and other incentives will be extended to the private sector to encourage investment in production of construction materials. The ministry will also conduct research into materials and construction methods with a view to lowering costs and speeding up operations. Efforts will be made to industrialise housing construction.

Credit policy

Regulations will be established to permit commercial banks to apportion a larger share of their deposits to housing credits. Savings funds, to permit banks to grant more housing loans, will be created at branches of most of the country's banks. Housing loan associations will be expanded. Private sector activity in construction of low-cost housing will be encouraged through low interest credits, subsidies on interest rates and tax relief. The public will be able to purchase housing units on long-term instalments through floatation of a housing bond, backed by Government financial support.

Programmes

The Government will build 35,000 workers' housing units for administrative staff at various ports and for workers at industrial poles; 97,000 units for teachers, civil servants, officers in the armed forces, police and gendarmerie particularly in remote areas; 57,000 units of low-cost housing for sale on instalments to low-income groups; 16,000 low-cost units for inhabitants of bidonvilles near large cities; 8,000 units for civil servants such as extension agents, veterinarians, and cooperative agents in agricultural development areas; creation of small satellite towns for industrial workers near large cities; 45,000 units through floatation of housing loans; and 30,000 rural housing units through loans and self-help. The capital of the Bank Rahni (Mortgage Bank) will be increased to permit greater lending to individuals, companies and housing associations.

Investment

Total fixed investment in the housing sector during the Fifth Plan period is expected to come to 925 billion rials ($13.7). This is nearly five times the figure of 190 billion rials for the Fourth Plan.

Of the total, the private sector is expected to invest 685 billion rials, and the public sector the remaining 240 billion rials.

Government investment in housing will be devoted to construction of workers' housing (48.8 billion rials), staff housing (102 billion rials)

and low-cost housing (49.5 billion rials). An additional 39.7 billion rials will be devoted to credit extension The great leap in Government investment in housing can be seen from comparing the Fifth Plan figure of 230 billion rials to the Fourth Plan figure of only 9.5 billion rials, an increase of over 20 times.

TOTAL CREDITS FOR HOUSING / 5TH PLAN

(billion rials)

	Current credits		Development credit		Total
		fixed	non-fixed	total	
Workers' houses	–	47.30	–	47.30	47.30
Staff houses	–	100.00	–	100.00	100.00
Low-cost housing	–	43.00	–	43.00	43.00
Housing credits	–	39.70	–	39.70	39.70
Total	–	230.00	–	230.00	230.00

FIXED INVESTMENT IN HOUSING / 5TH PLAN

(billion rials)

	Public sector	Private sector	Grand total
Workers' houses	48.80	–	48.80
Staff houses	102.00	–	102.00
Low-cost housing	49.50	675.00	724.50
Housing credits	39.70	10.00	49.70
Total	240.00	685.00	925.00

Part 5: Social Affairs

Education

Goals and Policies

The nation's educational system will be upgraded qualitatively and quantatively to meet increasing demand for specialised professionals as well as skilled cadres. A basic goal will be to complete the nation-wide free education programme (from Grade 1 through the guidance cycle) in 10 years, a project which will carry over into the Sixth Development Plan.

The policies, to be implemented in two, five and 10-year phases, also include adult literacy, increasing the capacity of vocational training centres as well as universities and higher institutes of learning. The immediate policy during the Fifth Plan will be to speed up the supply of manpower needed in industry, agriculture and services.

The Government's investment in education is 4.7 per cent of the GNP, up 1.5 per cent from the Fourth Plan. Private sector investment in education during the Fifth Plan is 3.6 per cent of the GNP, which is expected to increase to 5.1 per cent by the end of the Plan.

Guidelines for the implementation of the Government's policy on the educational sector will be as follows:

Kindergarten, primary school, guidance cycle and vocational training will be made available free of charge nation-wide, and secondary school and college students willing to take up Government jobs after the completion of their education will be provided with grants and scholarships. Students will also be provided with a free protein-rich meal.

In order to train large numbers of school teachers, vocational instructors and college professors, various measures will be applied. Available teacher training colleges will be expected to increase their capacity and to use concentrated training programmes requiring shorter terms. The use of better management tehniques is expected to yield optimum use of available cadres, backed by improved fringe benefits.

Moreover, students from non-Government institutions together with larger numbers of women and pensioners will be trained. Foreign experts will be utilised to instruct Iranian post-graduates. Centres presently engaged in the training of skilled workers will be required to train vocational instructors.

EDUCATIONAL TARGETS / 5TH PLAN

(in 1,000 persons)

Level	Numbers / end 4th Plan	Numbers / end 5th Plan	Increase during 5th Plan	% Increase
Kindergarten	22	580	558	2,536
Primary (1)	3,446	5,500	2,054	60
Guidance cycle (2)	571	1,670	1,099	192
Secondary (3)	617	904	287	46
Technical (4)	64	331	267	417
Higher education	115	190	75	65
Vocational (5)	31	229	198	640
Literacy (aged 10-44)	8,250	15,600	7,350	89

1. Grades 1 through 5
2. Grades 6 through 8
3. Grades 9 through 12
4. On-the-job training by ministries, and training of primary school teachers
5. Figures reflect the annual capacity of vocational training centres for skilled and semi-skilled workers.

Industrial and service organisations will be encouraged to participate in training programmes through financial and legislative assistance. This measure is directed toward the utilisation of all availabie potentials and speedier realisation of the Government's objectives.

Other measures include the setting up of short-term vocational training programmes for high school graduates, increased use of foreign institutions for higher education, as well as the founding of new universities such as the Bu Ali Sina, Free, Baluchestan, Kerman, Arts and Supplementary Education Universities, as well as higher institutes of learning such as the Medical Education Complex and the College of Health Sciences.

Removing Bottlenecks

The progress of Iranian society necessitates not only professional and vocational training but also promotion through education of national pride and social cooperation. The content and method of the entire educa-

tional system is being closely evaluated toward revision. In the area of secondary schools, long-term changes have been initiated in structure and teaching methods. One of the major bottlenecks was the value attached to educational certificates, the result of which was qualifications based on paper certificates, irrespective of the holder's aptitude, knowledge or specialisation.

Therefore, the Government plans to establish a uniform evaluation system which will be based on experience, skill or specialisation, to be used as criteria for employment.

TECHNICAL AND VOCATIONAL TRAINING/5TH PLAN

(persons)

	Capacity / end 4th Plan	Capacity / end 5th Plan	Total number of trainees during the 5th Plan
Post-diploma technicians in agro-industry and services (1) and (2)	24,760	42,500	72,700
Middle-level technicians in agro-industry and services (3)	64,000	331,000	132,100
Pre-and on-the-job trainees (excluding education cadre)	–	–	141,000
Training of skilled and semi-skilled labour in short courses (4)	31,050	229,000	650,000

(1) Students in post-diploma courses are reflected in higher education figures.

(2) Including 2-year teacher-training programmes (post-diploma level).

(3) Including primary school teacher-training (diploma level).

(4) Including on-the-job orientation training of less than one month.

The activities of various organisations responsible for the extension of education and training will be reinforced through the expansion of educational technology. Some of these bodies include the Ministry of Agriculture and Natural Resources, and other ministries.

Programmes

Kindergarten education: The number of pre-schoolers will increase from 22,000 in 1351 to 580,000 by 1356 — a 26-fold increase. Most of the Government's priorities in this area will be to establish kindergarten facilities in industrial satellite towns, rural areas and among low-income groups. Pre-schoolers throughout the nation will benefit from the free education and nutrition programme.

Primary Education: By the end of the Fifth Plan all urban and rural children of primary school age will be in classes. The links formed between primary education and adult literacy, coupled with the growth of the mass media networks will provide educational coverage even for the small, scattered villages.

DISTRIBUTION OF STUDENTS BY FIELDS / 5TH PLAN

	End of 4th Plan		5th Plan Target	
	Number	per cent	Number	per cent
Humanities	15,361	13.4	19,000	10.0
Teacher training and Education*	23,394	20.3	37,300	19.5
Fine arts	3,200	2.8	5,300	2.8
Law	2,300	2.0	3,400	1.8
Social sciences	24,870	21.6	42,000	22.2
Natural sciences and mathematics	11,759	10.2	20,900	11.0
Engineering	18,116	15.8	34,800	18.3
Medicine	11,300	9.8	19,000	10.0
Agriculture	4,700	4.1	8,300	4.4
Total	115,000	100	190,000	100

*During the 5th Plan, 5,000 of this group will major in education, and the rest in specialised areas.

During the Plan, 128,000 Literacy Corps members will be assigned to the extension of primary education and literacy in rural areas. Primary education and a school meal will be free.

Adult Literacy: This programme will not stop with the teaching of reading and writing. Short-term vocational training especially in rural pockets will be given priority. Besides the estimated 32,000 rural Extension and Development Corpsmen, as well as Health Corps members, the Government plans to reach its objectives through the use of mass media.

The continuation of efforts in this direction will increase the rate of literacy among the 10-44 age group from the present 50 per cent to 80 per cent by the end of the Fifth Plan. Given the expansion of primary schooling, illiteracy will be eradicated among the 6-44 age group before the end of the Sixth Plan.

The evaluation carried out to date on the effectiveness of Extension and Development Corps members, their counterparts in the Health Corps, as well as Rural Cultural Houses, in combatting illiteracy and promoting functional literacy programmes, demonstrate notable success and achievements. The total eradication of literacy will become possible if the programme is carried out scientifically, backed by frequent evaluation. To this end, a research centre for adult education is expected to be formed during the Fifth Plan.

Guidance Cycle: This stream, created to measure students' aptitudes and to act as a preparatory period toward future specialisation, is expected to embrace some 1.67 million by the end of the Plan, a 2.5 per cent increase as compared to the Fourth Plan.

Education during the guidance cycle will be free and students will benefit from the free school-meal programme. Moreover, opportunities will be provided to low-income pupils with high scholastic aptitudes, ensuring them continued higher education.

Secondary Education: During the Fifth Plan the rate of growth in general secondary education will be reduced to about 9 per cent. High schools will offer supplementary streams in technical, health, services and administrative areas.

Technical and Vocational Training: The essential aim of this policy during the Fifth Plan is to increase the capacity of training schools and centres in order to achieve a balance between supply and demand of technical and skilled cadres by the end of the Sixth Plan.

Therefore, some 500 technical and vocational units are expected to be established during the Plan which will increase the capacity of available training schools and centres from 95,000 (technical secondary school students, skilled and semi-skilled workers) at the end of the Fourth Plan to 552,000 by the end of the Fifth Plan, a six-fold growth.

As a result, 72,000 top-grade technicians, 132,000 second-grade technicians, and 650,000 skilled and semi-skilled workers will be trained in the area of industry, agro-industry and services.

The Ministry of Labour will continue to support the Vocational Training Fund which enables the private sector to participate in manpower training. By the end of the Fifth Plan legislation pertaining to vocational training will apply to 29 basic industries.

Higher Education: The number of college students will rise to 190,000 by the end of the Fifth Plan as compared to 115,000 at the conclusion of the Fourth Plan. New two-year technical and vocational training and teacher-training programmes account for a substantial part of the sharp increase of students engaged in higher education.

During the Plan, 5,000 students will be majoring in education and various other teacher specialisation subjects.

New institutions such as Baluchestan, the specialised studies, and arts universities, as well as the College of Health Sciences, are expected to cater to the increasing numbers of students.

Research: Universities and higher institutes of learning will carry out research studies throughout the country, with participation of students.

Teacher Training: During the Fifth Plan, a total of 130 teacher training centres will be established. However, available institutions will be utilised for short-term training programmes until the new centres become operational.

Eligible candidates will be selected from each regional district for employment by the Education Ministry and other ministries following training. The training and deployment of teachers will develop into a nation-wide network.

Sports and teaching aids: Approximately 500 sports facilities are to be established in urban and rural areas lacking such facilities in schools. Moreover, school libraries and mobile libraries will be emphasised as teaching aids. To this end, some 15 million copies of books and educational publications will be printed and distributed. In the area of educational technology, television networks and communication satellites will be applied to all levels of education.

Investment

Total fixed investment in education during the Fifth Plan has been projected at 131.6 billion rials ($1.95 billion). All but 4.8 billion rials of this sum will come from public sector credits.

Fixed investment in the various sub-sections will be as follows: pre-school education, 3.2 billion rials; primary, 22.3 billion rials; guidance cycle, 16.2 billion rials; general comprehensive secondary, 10.5 billion rials; technical and vocational, 22.4 billion rials; higher education, 30.5 billion rials; teacher training, 17 billion rials; teaching aids, 5 billion rials; sports in schools, 4 billion rials; and university research, 500 million rials.

TOTAL CREDITS FOR EDUCATION / 5TH PLAN

(billion rials)

	Current credits		Development credits		Total
		fixed	non-fixed	total	
Kindergarten	–	3.00	7.10	10.10	10.10
Primary	90.00	22.00	35.97	57.97	147.97
Adult literacy	2.00	–	7.20	7.20	9.20
Guidance cycle	20.00	16.00	15.00	31.00	51.00
Secondary	25.00	10.00	5.00	15.00	40.00
Vocational	14.00	21.87	24.00	45.87	59.87
Higher education	27.00	29.50	18.00	47.50	74.50
University research	2.70	0.50	6.50	7.00	9.70
Teacher training	7.00	17.00	28.70	45.70	52.70
Teaching aids	3.60	5.00	43.00	48.00	51.60
Sports in schools	0.20	4.00	1.00	5.00	5.20
Research and evaluation	0.70	–	4.50	4.50	5.20
Administration	24.60	–	9.60	9.60	34.20
Total	216.80	128.87	105.57	234.44	551.24

FIXED INVESTMENT IN EDUCATION / 5TH PLAN

(billion rials)

	Public sector	Private sector	Grand total
Kindergarten	2.90	0.30	3.20
Primary	21.70	0.60	22.30
Adult literacy	–	–	–
Guidance cycle	15.8	0.40	16.20
Secondary	9.50	1.00	10.50
Vocational	21.40	1.00	22.40
Higher education	29.00	1.50	30.50
University research	0.50	–	0.50
Teacher training	17.00	–	17.00
Teaching aids	5.00	–	5.00
Sports in schools	4.00	–	4.00
Research and evaluation	–	–	–
Administration	–	–	–
Total	126.77	4.80	121.57

Arts & Culture

Goals

The underlying policy of the Government in this sector is the promotion of the national heritage through excavation and preservation of archaeological sites and the fostering of folk arts. Contemporary arts will also be encouraged.

Programmes

Allocations will be made for the excavation and preservation of art objects and cultural studies. This will cover archaeological excavations, anthropological studies of Iranian villages, renovation of historic sites, establishment of the Iran Historical Society, the National Music Research Institute, the Asian Cultural Documents Centre (in cooperation with UNESCO) and the publishing of books.

Students trained in the teaching of arts and culture are expected to increase from 700 to 1,400 while nine fine arts training centres are to be established in Tehran, Sanandaj, Zahedan, Kermanshah, Tabriz, Mashad, Shiraz, Kerman and Ahvaz. Great emphasis is to be placed on establishing audio-visual centres in some 120 public parks throughout the country, as well as mobile audio-visual units. Museums and libraries will also increase substantially, nation-wide.

Besides an increase in the volume of programmes, the number of urban and rural cultural houses will be expanded to promote arts and culture. New cultural centres to be established include a National Voice Centre, Shiraz Theatre and Tehran Symphony Orchestra Hall.

Cultural and educational exchanges with North African, South and South-East Asian, European and American countries will take place as well as the promoting of the Persian language in neighbouring countries.

Investment

Total fixed investment in arts and culture in the Fifth Plan has been projected at 10.1 billion rials ($150 million). All but one billion rials of this sum will come from public sector credits. Of the total, 2.6 billion rials has been earmarked for archaeological research and preservation of the cultural heritage, 4.2 billion rials for promotion of cultural activities, 3 billion rials for arts and culture education and 300 million rials for cultural and arts facilities.

TOTAL CREDITS FOR ARTS AND CULTURE / 5TH PLAN

(billion rials)

	Current credits		Development credits		Total
		fixed	non-fixed	total	
Excavation and preservation of art objects	1.924	2.600	4.836	7.436	9.360
Promotion of culture	3.614	3.700	3.753	6.953	10.567
Arts and Culture Education	2.333	3.000	1.728	4.728	7.061
Facilities	0.643	0.300	0.282	0.582	1.225
Cultural relations	0.431	–	0.751	0.751	1.182
Administration	2.155	–	–	–	2.155
Research and evaluation	–	–	0.150	0.150	0.150
Total	11.100	9.600	11.000	20.600	31.700

FIXED INVESTMENT IN ARTS AND CULTURE / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Excavation and protection of art objects	2.6	–	2.6
Promoting culture	3.2	1	4.2
Arts and culture education	3.0	–	3.0
Facilities	0.3	–	0.3
Total	9.1	1	10.1

Tourism

Goals

Iran's ideal geographic location coupled with its heritage provide large tourism potential. Therefore, the underlying policy in this area is to publicise the country's culture and to create a range of tourist facilities.

The bulk of this industry will be left in the hands of the private sector and the Government will only invest in infrastructure. General administration will be in the hands of the Tourist Facilities Company with necessary cooperation by the Ministry of Information and Tourism.

Programmes

Foreign tourists are expected to more than double by the end of the 5th Plan — from 415,000 at the end of the 4th Plan to 925,000. Local tourists are expected to increase from 4 million persons at the end of the 4th Plan to 7 million persons by the end of the 5th Plan. The number of beds in luxury hotels will increase from 6,250 at the end of the 4th Plan to 21,950 by the end of the 5th Plan; the number of beds in medium-priced hotels will increase from 9,000 to 20,500; the number of beds in low-cost tourist facilities will increase from 12,500 to 47,730.

There will also be higher, 2-year training for 800 persons; one-year training for middle level cadres totalling 2,100 persons; six-month preliminary training for 3,100 persons; and on-the-job training for 4,000 persons.

Investment

Total fixed investment in the tourism sector has been projected at 24.6 billion rials ($364 million), of which 8.5 billion rials is expected to come from the public sector and 16.2 billion rials from the private sector.

Of the total, 9.6 billion rials has been earmarked for luxury tourist facilities; 9.2 billion for middle-range tourist facilities, and 4.7 billion rials for low-cost tourist facilities. A sum of 800 million rials will be devoted to publicity and 360 million rials to research.

TOTAL CREDITS FOR TOURISM / 5TH PLAN

(billion rials)

	Current credits	Development credits		Total
		fixed	non-fixed total	
Expansion of luxury tourist facilities	–	3.39	– 3.39	3.39
Expansion of second-class tourist facilities	–	4.13	0.37 4.50	4.50
Low-cost tourist facilities	–	2.21	– 2.21	2.21
Publicity	0.24	0.75	0.71 1.46	1.70
Research and evaluation	–	0.36	0.04 0.40	0.40
Administration	0.84	–	0.46 0.46	1.30
Total	1.08	10.84	1.58 12.42	13.50

FIXED INVESTMENT IN TOURISM / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Expansion of luxury tourist facilities	1.750	6.800	9.550
Expansion of second-class tourist facilities	3.030	6.200	9.230
Expansion of low-cost tourist facilities	1.570	3.130	4.700
Publicity	0.750	0.050	0.800
Research and evaluation	0.360	–	0.360
Total	8.460	16.180	24.640

Health, Medical Care & Nutrition

Goals

The overall aim of this sector is to control contagious diseases, provide medical services for all Iranians in the shortest possible time, improve nutrition for school children through the 8th Grade, increase access to medical facilities for rural inhabitants, create the necessary medical facilities so that medical insurance coverage will be complete by the end of the Sixth Plan, and provide for the rehabilitation of the disabled.

The Government will be responsible for providing free medical and health services and facilities in all areas of the country to all the population. Primary services will be made available in all areas of population while more specialised services will be located in large centres of population.

All medical services will be organised in a comprehensive, integrated network. Both private and public sector investment in medical facilities will be based on achieving more equal distribution of services within such a network.

The family planning programme will require the cooperation of the Ministries of Education and Information, the radio and television networks, universities and private and governmental medical organisations. The medical and health programmes will aim at prevention of disease and provision of health facilities in the shortest possible time. Given manpower shortages and need for facilities, large, rather than small, hospitals will be built in the most effective locations.

In principle, provision of health services will be based on a system of health insurance schemes and the purchase of services. The aim will be to provide insurance coverage for the entire population by the end of the Sixth Plan. Until this is achieved, public sector hospitals and charity organisations will direct their services in the first instance at low-income groups not yet covered by insurance. Remote rural areas will be served by mobile units, and mobile units will be created alongside rural health centres. A special medical cadre will be organised to provide primary

health care and engage in preventive medicine in rural areas. Attempts will be made to establish links between rural and urban health services.

The basic aim of the school nutrition programme will be to meet the needs of lower income groups.

Research will be expanded and training programmes will be revised to permit training of a larger number of better equipped personnel.

Programmes

The aim in the family planning programme is to reduce the present population growth rate of 3.1 per cent annually to 1 per cent over the long-term. At the end of the Fifth Plan, the population growth rate will stand at 2.6 per cent. To achieve this goal, coverage by clinics of women of child-bearing age will be increased from 6 per cent to 24 per cent; necessary cadres will be trained; and programmes of research will be undertaken.

In the health services field, the programme is aimed at eradication or prevention of diseases such as diptheria, smallpox, measles, infantile paralysis, tetanus, whooping cough and various intestinal infections. Some 170 million vaccinations will be administered.

Treatment will be extended to some 10.5 million persons suffering from such infectious diseases as tuberculosis, leprosy, Malta fever, and eye infections; and also to some 14.5 million suffering from intestinal worms and scaldhead.

Health cards will be drawn up for those under 18. The health services and family planning programmes will be carried out by a network of 1,280 primary and secondary health centres in urban areas and 3,200 health and medical centres in rural areas.

Physical expansion planned provides for establishment of 100 primary and 640 secondary medical centres in urban areas and 500 medical-health centres and 1,900 health houses in rural areas. Construction on a further 60 primary health centres will begin and be carried into the Sixth Plan.

Given the lack of health centres, in the first three years of the Plan a considerable part of the work will be undertaken by mobile units which will gradually be replaced by permanent centres.

The number of hospital beds in expected to increase from 13.6 per 1,000 inhabitants at the end of the Fourth Plan to 17.2 per 1,000 inhabitants at the end of the Fifth Plan. This is an addition of 20,000 beds.

In rural areas, the addition of 500 health-medical centres in district centres and large villages and 1,900 health houses elsewhere will bring the total of primary health centres up to 800 and of secondary health centres (health houses) to 2,400.

On nutrition, the programme aims at providing one complete meal each day for all students from kindergarten through the 8th Grade level.

Meals were provided for 5.5 million students in 1353. The figure should rise to 8 million at the end of the Fifth Plan.

Supplementary nutrition will also be provided to the following adult groups: working mothers who are breast-feeding their children; factory and workshop workers and pregnant women. The programme will cover 310,000 adults.

Bread consumption will be increased to provide more calories and proteins to low-income groups. The Government will aim at enriching flour with Vitamin A, Vitamin B2 and possibly Vitamin C.

The programme will also include projects for improving nutrition of children under three; treatment and rehabilitation of children suffering from severe or third degree malnutrition (coverage for 15,000 children in the last year of the Plan); rehabilitation of children suffering from second degree malnutrition (coverage for 50,000 children in the last year of the Plan); and provision of better food to children suffering from light malnutrition — first degree — (coverage for 310,000 children in the last year of the Plan).

Training and research will include the establishment of two medical colleges, doubling the number of students in existing medical schools and, where possible, utilising health centres for training purposes; establishment of 36 nursing schools; 200 schools to train midwives; 40 schools for laboratory technicians; 20 schools to train X-ray technicians and chemists; 20 schools for training nurses aides and three schools for training planners, nutritionists and dieticians.

Research programmes planned include research on population and family planning; mortality rates, health service provision and environmental health; local diseases and also vaccination and treatment for these illnesses; cancer, heart and arterial diseases; contagious diseases; long-term health and medical policy; the best means of training medical personnel; and miscellaneous problems of food and nutrition.

Investment

Total fixed investment in the health, medicine and nutrition field during the Fifth Plan has been projected at 45.7 billion rials ($677 million). Of this total, public sector investment will account for 42.1 billion rials and private sector investment for 3.65 billion rials.

Of total fixed investment, 5.5 billion rials has been earmarked for health services, 32.9 billion rials for medical services, 6 billion rials for rural health and medical services, 680 million rials for nutrition and 650 million rials for research.

TOTAL CREDITS FOR HEALTH, MEDICAL CARE, NUTRITION AND FAMILY PLANNING / 5TH PLAN

(billion rials)

	Current credits		Development credits		Total
		fixed	non-fixed	total	
Population and family planning	4.70	–	3.10	3.10	7.80
Health services	13.20	5.50	14.30	19.8	33.00
Medical services	37.28	29.68	23.30	52.98	90.26
Health, medical services for rural areas	16.00	6.00	6.00	12.00	28.00
Nutrition	0.70	0.67	68.70	69.37	70.07
Research and evaluation	1.55	0.65	1.26	1.91	3.46
Administration	3.20	–	0.95	0.95	4.15
Total	76.63	42.50	117.61	160.11	36.74

FIXED INVESTMENT IN HEALTH, MEDICAL CARE AND NUTRITION / 5TH PLAN
(billion rials)

	Public sector	Private sector	Total
Population and family planning	–	–	–
Health services	5.50	–	5.50
Medical services	29.23	3.65	32.88
Health, medical services in rural areas	6.00	–	6.00
Nutrition	0.67	–	0.67
Research and evaluation	0.65	–	0.65
Administration	–	–	–
Total	42.05	3.65	45.70

Social Welfare

Goals

The six basic areas of concern in this sector are social security for workers; for villagers; and for white collar employees; protection for uninsured, low-income workers; rehabilitation services for the physically handicapped; and three related programmes: participation and social communication, research and administrative services.

The general aims of the programmes in this sector are to promote medical, disability, retirement, unemployment and life insurance for all working groups; to provide for the insurance of uninsured groups; to provide for the rehabilitation, training and, where possible, employment of the disabled and support for the totally disabled; to extend welfare services; and to provide the range of insurance coverage (health. unemployment, retirement, disability and life) for the total population by the end of the Sixth Plan.

In pursuit of these aims, insurance payments for each of the legal responsibilities of the social, health and retirement insurance organisations will be specified separately. In the interests of efficiency, health insurance will be centralised in one organisation and retirement, disability and life insurance in a separate organisation.

Pensions and payments in disability insurance will be adjusted periodically in keeping with increases in the cost of living. In the provision of health services, priority will be given to civil servants and retired civil servants as against other employees not yet provided with health services.

Out-patient treatment of rural inhabitants will be provided through the rural health network. The rural inhabitants' social insurance organisation shall therefore concentrate on fulfilling its other responsibilities. The insured will utilise public sector in-patient and specialist services or, if these are unavailable, public sector services.

Uninsured, low-income workers will be protected through the extension of social insurance coverage, creation of productive work and adjustment of family income. In the short run, the welfare of these groups will be the responsibility of the Government. In this regard, the Government will in the first instance provide support to children of families that lack a bread-winner. At the same time, Government assistance will be provided in a manner in keeping with social traditions, so as to encourage

families to assert their independence, and to foster participation, self-help and volunteer work in the programme. The extension of assistance will be decentralised and local institutions will be utilised to the fullest extent.

Coordination of social services will take place through the Supreme Social Welfare Council. Multi-purpose centres will be created to combine soial services where necessary to achieve the aims of the Plan.

Programmes

The number of persons covered by medical insurance will increase from 3.4 million at the end of the Fourth Plan to 5.4 million at the end of the Fifth Plan. The number of persons covered by life, disability and retirement insurance will rise in the same period from 3.6 million to 6 million. Unemployment insurance will be extended to 100,000 workers who, along with their families, will constitute 500,000 persons.

Employees: The number of civil servants covered by medical insurance will rise from 200,000 at the end of the Fourth Plan to 2.5 million at the end of the Fifth Plan. The number of civil servants covered by life, disability and retirement insurance will increase from 960,000 to 1.4 million during the same period.

Systems will be introduced for medical and retirement insurance coverage of some 300,000 private sector employees and their families and 400,000 self-employed urban workers.

Rural areas: Rural residents covered by health insurance will rise from 100,000 at the end of the Fourth Plan to 4 million at the end of the Fifth Plan. In addition, 100,000 rural residents will receive life insurance coverage.

Low income groups: A total of 100,000 low-income families will receive assistance to insure minimum living standards during the Fifth Plan, with priority given to families who have lost their bread-winner, through death, imprisonment, disability or illness.

Welfare services: The programme in this sector foresees establishment of 140 family welfare centres, 150 day-care centres for children, 115 foster homes and one foster home complex, one nursery, and completion of 20 boarding units and day-care centres.

It also provides for establishment of two centres for young workers, completion and improvement of 300 rural cultural centres, establishment of a consumers' cooperative union to service 300 consumers' cooperatives, and completion of eight existing consumers' cooperatives; establishment of 10 workers' rest centres and one resort; and creation of 24 social and educational centres for Government employees.

Rehabilitation: The programme in this sector foresees establishment of one clinic and three mobile units for the deaf, a professionally administered boarding house for the blind, 20 rehabilitation, vocational training and subsidised workshop complexes for the disabled, 32 subsidised workshops for the disabled, and beginning of work on a further 18 workshops; three centres for the incurable disabled and the beginning of work on another seven centres; beginning of work on a centre for children suffering from multiple disabilities; 12 homes for mentally retarded children and beginning of work on a further eight centres; a centre for

the physically handicapped; five centres for social delinquents and beginning of work on five other centres; an emergency centre for children and young adults expelled from education and reformatory centres; completion of existing buildings of the national training centre; 13 subsidised workshops for prisoners' employment, both in and out of prisons; a guidance centre for unmarried mothers.

Other programmes: Research studies will be conducted to identify needs and determine the best means of meeting them. Efforts will be made to create greater understanding among the general public of social welfare problems and to enlist their participation in voluntary work. The work of all organisations involved in social welfare will be coordinated.

Investment

Fixed investment in the Social Welfare field during the Fifth Plan is projected at 9 billion rials ($133 million). The total figure will come from public sector credits. Of the total, 5 billion rials has been earmarked for welfare services, 3.7 billion rials for rehabilitation and a small figure for public education and volunteer work.

TOTAL CREDITS FOR WELFARE / 5TH PLAN

(billion rials)

	Current credits	Development credits		Total
	fixed	non-fixed	total	
Social insurance for workers	–	1.00	1.00	1.00
Social insurance for staff	44.31	7.69	7.69	52.00
Social insurance for farmers	0.85	3.10	3.10	3.95
Protection of un-insured groups	–	3.00	3.00	3.00
Welfare services	4.03	5.00	2.70	7.70	11.73
Rehabilitation	0.48	3.70	2.02	5.72	6.20
Participation and mass communications	0.40	–	0.30	0.30	0.70
Research and evaluation	–	0.30	0.70	1.00	1.00
Administration	0.37	–	1.05	1.05	1.42
Total	50.44	9.00	21.56	30.56	81.00

FIXED INVESTMENT IN SOCIAL WELFARE / 5TH PLAN

(in billion rials)

	Public sector	Private sector	Total
Social insurance for workers	–	–	–
Social insurance for staff	–	–	–
Social insurance for farmers	–	–	–
Protection of un-insured groups	–	–	–
Welfare services	5.00	–	5.00
Rehabilitation	3.70	–	3.70
Participation and mass media	–	–	–
Research and evaluation	0.30	–	0.30
Administration	–	–	–
Total	9.00	–	9.00

Physical, Education, Scouting & Youth Affairs

Goals

Physical education facilities will be provided in both populated and less-populated areas to encourage the participation of youth in sport. The programme aims to provide for the healthy mental and physical development of all Iranians, particularly children and youth, to strengthen character, create a sense of cooperation and forward international understanding.

Traditional sports, and basic sports such as swimming, track and gymnastics will be developed in the schools. Natural sports like mountain climbing and walking will be encouraged. Facilities and management will be improved through training.

The mass media will be used to encourage participation in sports. Laws governing youth organisations will be reviewed and updated. Closer cooperation will be established between youth organisations. Arts and exposition facilities will be expanded to encourage youth and provide them with other sources of income.

Scouting will be encouraged and scouting groups will be expanded to provide access for all youth. Cooperative stores for youth will be created. The military training period will be utilised to improve job opportunities in the post-military service period.

Programmes

For nursery school children, 25 new playing areas will be created in public parks in provincial centres and three other large cities, consisting of playgrounds, play equipment, small indoor play facilities and necessary services. Over 1,000 nurseries, kindergartens, and day-care centres will be equipped with play, sport and recreation equipment.

For older students, 500 sports centres, in areas of high-population lacking such facilities, will be established. Five covered sports arenas for physical education at the Teachers Training College and other insti-

tutes of higher education, as well as sports complexes for Tehran and Mashad Universities, will be constructed.

For the general public, the Aryamehr and Farah Sports Stadiums will be expanded. Existing public facilities will be improved and expanded. The sports facilities of the Imperial Club and the Royal Horse Society will be expanded.

Work will begin on two stadiums, each with a 25,000-seat capacity; and on 30 sports centres, five of them for workers, with playgrounds, outdoor swimming pools and track facilities.

The Kolakchal Sports Complex will be improved. Work will begin on 10 indoor swimming pools and 50 outdoor swimming pools and 340 sports centres for small cities. Sports facilities in rural areas will be expanded. Loans and assistance will be extended to private sports club.

Training will be extended and improved at all levels, and about 10,000 physical education teachers will participate in short-term courses. Research will be undertaken on systems of physical education training, teacher training and on coordination of sports administration on a nationwide level.

In the youth activities field, construction of existing youth clubs will be completed and 10 new youth clubs will be established in provincial capitals or cities with secondary education and higher education facilities.

Ten Red Lion and Sun Society youth clubs will be equipped and come into operation. Thirty new multi-purpose youth houses will be established in urban areas. Youth will be encouraged to participate in development activities. One hundred cooperative stores for youth will be created.

Courses at the post-secondary school and BA level will be established to train 400 specialists in youth affairs.

In the scouting field, 100 new scouting clubs will be completed and equipped. Scouting activity will be expanded so the number of scouts increases to 500,000. Thirty-five new scouting clubs will be completed and come into operation and 20 scout camps will be set up in the provinces. Preparations will be made for the world scout jamboree. The number of scout masters will be increased to 20,000 through training programmes.

Investment

Total fixed investment in this sector during the Fifth Plan is projected at 15.4 billion rials ($228 million). All but 0.4 billion rials of the total will come from public sector credits.

Of the total, 13.6 billion rials has been earmarked for physical education, 1.1 billion rials for youth affairs, 700 million rials for scouting and 70 million rials for other activities.

TOTAL CREDITS FOR PHYSICAL EDUCATION, SCOUTING AND YOUTH AFFAIRS / 5TH PLAN

(billion rials)

	Current credits	Development credits		Total
		fixed	non-fixed	total	
Physical education	4.58	13.15	3.56	16.71	21.29
Youth affairs	0.71	1.08	7.87	8.95	9.66
Scouting	0.86	0.70	0.17	0.87	1.73
Recreation	–	0.07	–	0.07	0.07
Total	6.15	15.00	11.60	26.60	32.75

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FIXED INVESTMENT IN PHYSICAL EDUCATION, SCOUTING AND YOUTH AFFAIRS / 5TH PLAN

(billion rials)

	Public sector	Private sector	Total
Physical education	13.15	0.40	13.55
Youth affairs	1.08	–	1.08
Scouting	0.70	–	0.70
Recreation	0.07	–	0.07
Total	15.00	0.40	15.40

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